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# The ANNALIST

A Journal of Finance, Commerce and Economics

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Ten Cents

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# Synopsis of Annual Report of the Baltimore and Ohio Railroad Company—Calendar Year 1923

BALTIMORE, MD., June 25, 1924.

To the Stockholders of The Baltimore and Ohio Railroad Company:

The President and Directors of the Company herein submit report of the affairs and operations of the Company for the calendar year 1923.

The operated mileage of the Company is 5,207 miles, and including 104 miles of its subsidiary companies, the total first main track mileage of the System is 5,311 miles. The total mileage of all tracks is 10,697 miles. In addition the Company exercises trackage rights for passenger traffic only from Philadelphia to New York, a distance of 97 miles.

The Company's equipment, valued at \$189,764,832, consists of 2,546 steam locomotives, 11 electric locomotives, 100,036 freight train cars, 1,333 passenger train cars, 3,697 work equipment units and 172 marine equipment units.

The recorded investment at December 31, 1923, of the property devoted to and used in transportation service is \$753,130,840, an increase over the previous year of \$31,756,585.

The year 1923 was notable for the general revival in business and industrial activity, in which the Baltimore and Ohio Railroad Company shared to a gratifying extent. In gross and net revenues and tons of revenue freight carried the year was the largest in the history of the Company, and clearly demonstrated the high physical standard of the property, as this traffic was handled not only in an efficient and expeditious manner, but with an ease that indicated a capacity and ability to perform a much greater service with substantially the same facilities. At the same time the Company carried on an extensive program of improvements to the line and in the upbuilding of its equipment. There was some congestion at times in the marine terminals at Baltimore, caused by insufficient facilities, which situation will have been overcome upon completion of the large new grain elevator and new pier now in process of construction and in the readjustment of yard tracks incident thereto, all of which will be completed during 1924.

The financial results were equally satisfactory. The net railway operating income, that is, the amount earned in the actual operations of the railroad property was \$42,133,129 while the return from other investments was 6,032,521

making a total income of \$48,165,650 from which was deducted for fixed charges, etc. 25,743,614

leaving a balance of \$22,422,036 and after payment of dividend on the preferred stock of 2,354,527

there remained \$20,067,509

showing an earning of 13.21% on the outstanding common stock of the Company. These results, together with the underlying conditions, in the judgment of the Directors, justified the resumption of dividend payments on the common stock, which had been suspended in 1919 after nineteen years of continuous payments averaging about 5% per annum. Consequently declarations were made of two quarterly dividends at the rate of 5% per annum, effective for the second six months of the year.

The physical property, both road and

equipment, was well maintained. The relations between the Company and the shipping public were increasingly satisfactory, and at no time has there been a better spirit of co-operation between the officers and the employees than exists at present. It is due in large part to the combination of circumstances just mentioned that the Company was able to make such a creditable showing during the year under consideration.

It is noted from the income account that the net railway operating income of the Company for the year 1923 was \$42,133,129, an increase over 1922 of \$18,398,124, or 77.51%. For the purpose of the "Recapture" provisions of the Transportation Act of 1920, net railway operating income of the Company and its separately operated subsidiaries is combined and the rate of return computed on the investment in property used in transportation of the system as a whole. The combined net railway operating income for the Baltimore and Ohio System for 1923, including its separately operated subsidiaries, was \$43,026,131, equal to a rate of return of 5.37% on the recorded "Property Investment," aggregating \$800,648,023. The decrease in other corporate income and the increase in deductions from gross corporate income were relatively small.

The net income for the year 1923 transferred to surplus was \$22,422,036, an increase over 1922 of \$18,046,663, out of which there was appropriated \$5,250,000 to be devoted to capital expenditures, making \$17,500,000 which the Company has appropriated for similar purposes since July 1, 1919, and thus completing the Company's obligation with respect to the provisions of its \$35,000,000 loan agreement of July 1, 1919.

The Company declared the regular dividends on the preferred stock at the rate of 4% per annum, as has been the custom since the year 1900. Dividend declarations on the Company's common stock were resumed in September, 1923, at the rate of 5% per annum, and two quarterly dividends aggregating 2½% were declared during the last six months of the year. In determining the question of resumption of dividends on the common stock of the Company, the Board concluded, in harmony with what has become the general practice, to adopt the plan of payment quarterly on both the preferred and common shares of the

Company instead of semi-annually as heretofore.

The surplus income for the year, plus the appropriations for capital purposes, together with the net credit arising out of settlement with the United States Government for Federal Control and the Guaranty Period and certain other adjustments, brought the total corporate surplus from \$40,932,131 in 1922 to \$58,725,099 for the year 1923, a gain of \$17,792,968, or 43.47%.

During the year there was carried out a more extensive program for the betterment and enlargement of the property and for the purchase of additional equipment for the more efficient and economical handling of the business of the Company. The expenditures incident thereto are reflected in the balance sheet, which shows there was an increase of \$31,756,585 in Investment in Property used in Transportation Service, as follows, viz:

Additions and Betterments to Road .....	\$ 6,704,907
Additions and Betterments to Equipment .....	25,094,423
	<hr/>
	\$31,799,330
Less—Net decrease in other accounts .....	42,745
	<hr/>
Net increase .....	\$31,756,585

During the year there was expended for additions and betterments to road the gross sum of \$10,749,969, and after deducting the cost of renewals and retirements there was a net increase in the investment account of \$6,704,907.

Of the more important work undertaken during the year was the construction of a new grain elevator at Locust Point, Baltimore, Md., to replace elevators "B" and "C," destroyed by fire caused by lightning on July 2, 1922. The new elevator is of concrete construction throughout, of the most modern type, and reflects the latest development in elevator construction and practice. The elevator will have an initial capacity of 3,800,000 bushels and can be expanded indefinitely by the erection of additional storage units. The work house and storage bins are set back 500 feet from the water front, the grain being handled between the elevator and wharves by six continuous belts having a capacity of 150,000 bushels per hour. Storage tracks

for 500 cars will be provided and the grain will be delivered to the elevators by means of four car dumpers, each with a capacity of eight cars per hour. There will be a marine tower with a capacity of 4,000 bushels per hour for unloading grain received by water. A drying and cleaning plant with capacity of 40,000 bushels per hour is provided. Every part of the structure will be equipped with dust-collecting devices, and no efforts have been spared to insure fire prevention and safety in operation. Most satisfactory progress has been made in this work, and it is expected that the elevator will be ready for the reception of grain about August 1, 1924.

To meet the increasing demands for wharfage at Locust Point, Pier 3 is under construction. This is a new pier and will be 1,000 feet long by 185 feet wide, with a two-story superstructure. Pier 10 is also being extended, and Pier 5 is being remodeled and a storage shed erected thereon.

To permit the more extended use of heavier power, 187 bridges were reconstructed and reinforced during the year.

To enable the Company to discontinue the use of lines of other carriers and to facilitate the movement of traffic a new double track line is being constructed between Millvale and Etna, Pa., 2.16 miles in length, and its completion is anticipated in the latter part of 1924.

The following equipment was acquired during the year: 115 locomotives, 91 passenger train cars, 11,659 freight train cars, 19 work equipment units and 6 floating and miscellaneous equipment units at a cost of \$31,259,059. After allowing for equipment retired and reduction in value due to transfer of equipment from one class to another account of age, the net increase in the value of equipment owned and in service at the end of the year was \$25,094,423.

There was an increase in tractive power of locomotives acquired over locomotives retired of 2,031,380 pounds and an increase in tonnage capacity of freight cars acquired over freight cars retired of 348,628 tons.

As of July 1, 1923, the Company disposed of all its interests in the Sandy Valley and Elkhorn Railway Company and the Millers Creek Railroad Company, and as of November 1, 1923, of its interest in the Long Fork Railway Company. These properties are all located

## CONDENSED GENERAL BALANCE SHEET.

ASSETS:	YEAR 1923.	INCREASE OR DECREASE.
Investment in Road and Equipment.....	\$442,860,719.28	
Investment in Constituent Companies.....	303,828,921.09	
Investment in Perpetual Leaseholds—(per contra).....	6,441,200.00	
Total Property Investment.....	\$753,130,840.37	\$31,756,585.04 Inc.
Other Investments .....	75,250,984.21	8,532,847.38 Dec.
Total Investments .....	\$828,381,824.58	\$23,223,737.66 Inc.
Current Assets—Cash, Materials and Supplies, etc.....	68,318,661.36	7,223,954.94 Inc.
Deferred Assets .....	977,004.18	84,033,805.06 Dec.
Unadjusted Debits .....	2,514,442.50	1,583,551.71 Dec.
	<hr/>	
	\$900,191,932.62	\$55,169,664.17 Dec.
 LIABILITIES:		
Common Stock .....	\$151,945,428.54	
Preferred Stock .....	58,863,180.95	
Total Stock Outstanding.....	\$210,808,609.49	
Funded Debt .....	531,069,972.02	\$14,977,234.98 Inc.
Capitalized Leaseholds—(per contra).....	6,436,200.00	
Total Capital and Leasehold Obligations.....	\$748,314,781.51	\$14,977,234.98 Inc.
Current Liabilities .....	34,822,446.86	6,701,389.30 Dec.
Deferred Liabilities .....	2,686,954.59	83,454,500.35 Dec.
Unadjusted Credits—Accrued Depreciation, Reserves, etc.....	55,642,650.77	2,216,022.28 Inc.
Corporate Surplus .....	58,725,098.89	17,792,968.22 Inc.
	<hr/>	
	\$900,191,932.62	\$55,169,664.17 Dec.

## ADVERTISEMENT.

## ADVERTISEMENT.

in Kentucky and separated some distance from the Baltimore and Ohio Railroad, access to them being dependent upon the lines of other carriers over which this Company did not have trackage rights. The original purposes for which the Company acquired these properties having been accomplished, their further retention was deemed not necessary to the future interests of the Company, and they were disposed of to advantage. Each of the companies were separately operated in the interest of the Baltimore and Ohio Company up to the date of sale, and the results of such operations are included in the income account of the Company.

There were 63,974 employees in the service of the Company at December 31,

1923, of whom 54,037 were members of the Relief Department.

Pension payments to retired employees, while administered through the officers of the Relief Department, are contributed wholly by the Company and constitute a special roll. The number of pensioners on the roll at the end of 1923 was 1,274, a net increase of 41 for the year. Pension payments for 1923 amounted to \$435,503, an increase of \$27,716 over the previous year. Since the inauguration of the Pension Feature in October, 1884, the Company has expended \$5,473,606 account of pensions to superannuated employees.

At the annual meeting of the Baltimore and Ohio Stockholders in November, 1921, the President, after present-

ing the Annual Report of the affairs of the Company for 1920, made the following statement:

"Notwithstanding all that I have said concerning the difficulties of the present situation, I am personally optimistic concerning the future, and I feel confident that if the Transportation Act of 1920 is left in its present shape until the railroads have had time and opportunity to give the law a fair trial, that we will be able, slowly, perhaps, but certainly able, to work out of our present difficulties, and I hope under the terms of the present Transportation Act to see railroad securities once more restored to the confidence of the investing public. While the Transportation Act of 1920 does not afford a perfect or final solu-

tion of the railroad problem, it is, in my opinion, distinctly in advance of anything which we have heretofore had in that direction, and to my mind the Act, even in its present shape, is susceptible of being so applied as to measurably, if not fully, meet the requirements of the situation. In any event, I think it ought to be given a fair trial before any attempt is made to materially amend it."

The real essence of the Transportation Act of 1920 is contained in that part of the Act known as Section 15a, which provides, among other things, a rule for rate-making for the guidance of the Interstate Commerce Commission. While there have been demands from certain quarters for the repeal of this section of the Act, Congress, wisely it is believed, has so far refrained from making any changes in the Act as originally passed.

Realizing the necessities for the greatest improvement and expansion possible of the country's transportation facilities, the Association of Railway Executives early in 1923 perfected arrangements for a more complete co-operation between the railroads themselves and with the shipping public, and announcement was made at the same time that the railroads as a whole had authorized expenditures estimated at \$1,100,000,000 for new equipment and additional facilities.

As its participation in the 1923 program of betterments, the Baltimore and Ohio Company expended for new equipment and additions to its property \$31,799,330, and operating under the terms and subject to all the restrictions of the present Act, the Company, as previously stated herein, moved in 1923 the largest volume of traffic in its entire history, and realized therefrom the greatest gross and net earnings ever earned during a similar period of time. The surplus remaining after providing for upkeep, fixed charges and taxes, was over \$22,000,000, a larger sum than ever realized before from one year's operation, and after providing for the dividends declared upon the preferred and common stocks, there remained a balance of approximately \$16,000,000 available for the payment of capital obligations and for improvements and additions to the property.

It is believed that the results of the Company's operations in 1923 fully confirm the President's forecast to the stockholders in 1921 quoted above.

Once more it is suggested that stockholders ought to use their influence to prevent, if possible, any change in the Transportation Act until it has had a further and more complete trial. It is not true, as sometimes claimed, that the Act guarantees to the railroads any fixed rate of return. At most, it simply assures to the roads an opportunity to earn a fair but limited return upon the lawfully ascertained value of the property used for transportation purposes, provided, however, that they are able to earn such return from the business to be moved and at the rates fixed in accordance with the rule prescribed by Congress itself. A further trial of the Act in its present form is urged, not only in the interest of the stockholders, but in the larger interest of the public as well.

At December 31, 1923, there were 33,573 stockholders of the Company of record.

The Board takes pleasure in recording its appreciation of the fine spirit of loyal and efficient co-operation manifested by the officers and employees during the year. Its continuance should insure real and lasting benefits to the Company, to all those in its employ and to the public as well.

DANIEL WILLARD,  
President.

## INCOME ACCOUNT AND BALANCE SHEET.

CORPORATE INCOME ACCOUNT.	Year 1923.	Year 1922.	Increase or Decrease.
AVERAGE MILES OPERATED.....	\$5,206.87	5,212.05	5.18
<b>RAILWAY OPERATING REVENUES:</b>			
Freight.....	\$208,587,996.20	\$159,506,624.69	\$49,081,371.51
Passenger.....	30,752,790.80	26,801,741.73	3,951,049.07
Mail.....	2,526,213.34	2,593,804.83	67,591.49
Express.....	4,992,622.90	4,467,546.23	525,076.67
Other Transportation Revenue.....	3,535,610.59	3,129,144.29	406,466.30
Miscellaneous Revenue.....	5,199,201.43	4,344,307.90	854,893.53
Total Railway Operating Revenues.....	\$255,594,435.26	\$200,843,169.67	\$54,751,265.59
<b>RAILWAY OPERATING EXPENSES:</b>			
Maintenance of Way and Structures.....	\$ 29,318,700.72	\$ 23,325,886.80	\$ 5,992,813.92
Maintenance of Equipment.....	63,881,472.30	48,439,422.37	15,442,049.93
Traffic.....	3,916,435.76	3,560,796.63	355,639.13
Transportation.....	94,676,661.15	82,408,878.33	12,267,782.82
Miscellaneous Operations.....	1,653,199.60	1,647,881.02	5,318.58
General.....	5,917,658.45	5,658,981.82	258,676.63
Transportation for Investment—Credit.....	40,166.55	20,472.57	19,693.98
Total Railway Operating Expenses.....	\$199,323,961.43	\$165,021,374.40	\$34,302,587.03
<b>NET REVENUE FROM RAILWAY OPERATIONS.....</b>	<b>\$ 56,270,473.83</b>	<b>\$ 35,821,795.27</b>	<b>\$20,448,678.56</b>
Ratio of Operating Expenses to Operating Revenues.....	77.98%	82.16%	4.18%
<b>OTHER OPERATING CHARGES:</b>			
Railway Tax Accruals.....	\$ 9,834,128.86	\$ 6,769,093.26	\$ 3,065,035.60
Uncollectible Railway Revenues.....	131,286.01	85,821.61	45,464.40
Equipment Rents—Net Debit.....	3,139,711.37	3,957,430.54	817,719.17
Joint Facility Rents—Net Debit.....	1,032,218.29	1,274,444.65	242,226.36
Total Other Operating Charges.....	\$ 14,137,344.53	\$ 12,086,790.06	\$ 2,050,554.47
<b>NET RAILWAY OPERATING INCOME AS DEFINED IN THE TRANSPORTATION ACT OF 1920.....</b>	<b>\$ 42,133,129.30</b>	<b>\$ 23,735,005.21</b>	<b>\$18,398,124.09</b>
<b>OTHER CORPORATE INCOME:</b>			
Income from Lease of Road.....	\$ 17,144.80	\$ 17,895.46	\$ 750.66
Miscellaneous Rent Income.....	968,560.11	1,068,200.18	99,640.07
Miscellaneous Nonoperating Physical Property.....	213,044.90	121,454.97	91,589.93
Separately Operated Properties—Profit.....	296,451.94	423,242.61	126,790.67
Dividend Income.....	1,914,723.50	1,886,367.50	28,356.00
Income from Funded Securities.....	1,628,601.42	1,758,486.86	129,885.44
Income from Unfunded Securities and Accounts.....	902,393.38	493,864.89	408,528.49
Income from Sinking and Other Reserve Funds.....	67,450.45	395,818.08	328,367.63
Miscellaneous Income.....	24,149.84	21,801.84	2,348.00
Total Other Corporate Income.....	\$ 6,032,520.34	\$ 6,187,132.39	\$ 154,612.05
<b>GROSS CORPORATE INCOME.....</b>	<b>\$ 48,165,649.64</b>	<b>\$ 29,922,137.60</b>	<b>\$18,243,512.04</b>
<b>DEDUCTIONS FROM GROSS CORPORATE INCOME:</b>			
Rent for Leased Roads.....	\$ 394,266.38	\$ 283,213.71	\$ 111,052.67
Miscellaneous Rents.....	519,196.36	432,855.08	86,341.28
Miscellaneous Tax Accruals.....	279,576.96	271,835.21	7,741.75
Separately Operated Properties—Loss.....	794,285.78	1,186,411.02	392,125.24
Interest on Funded Debt.....	23,333,142.78	22,810,615.53	522,527.25
Interest on Unfunded Debt.....	304,519.52	439,448.19	134,928.67
Miscellaneous Income Charges.....	118,625.96	122,385.57	3,759.61
Total Deductions from Gross Corporate Income.....	\$ 25,743,613.74	\$ 25,546,764.31	\$ 196,849.43
<b>NET CORPORATE INCOME.....</b>	<b>\$ 22,422,035.90</b>	<b>\$ 4,375,373.29</b>	<b>\$18,046,662.61</b>

Italics indicate decrease.

\* Excludes the 96.71 miles of passenger trackage rights between Philadelphia and New York.

## CORPORATE SURPLUS ACCOUNT.

<b>PROFIT AND LOSS ACCOUNT:</b>		
Credit Balance, December 31, 1922.....		\$20,015,285.03
Net Corporate Income for Year 1923.....	\$22,422,035.90	
Miscellaneous Adjustments—Net Credit.....	1,309,248.63	23,731,284.53
Total.....		\$43,746,569.56
<b>APPROPRIATIONS DURING YEAR 1923:</b>		
Income applied to Sinking and other Reserve Funds.....	\$ 119,948.23	
Income transferred to "Additions to Property Through Income and Surplus".....	5,250,000.00	
Dividends on Preferred Stock at 4 per cent. per annum.....	2,354,527.24	
Dividends on Common Stock at 5 per cent. per annum (six months).....	3,798,569.74	11,523,045.21
Credit Balance December 31, 1923.....		\$32,223,524.35
<b>ADDITIONS TO PROPERTY THROUGH INCOME AND SURPLUS:</b>		
Credit Balance December 31, 1922.....	\$20,736,232.78	
Income and Surplus appropriated during the Year 1923.....	\$5,250,000.00	
Miscellaneous.....	321,497.92	5,571,497.92
Credit Balance December 31, 1923.....		26,307,730.70
<b>SINKING FUND RESERVES:</b>		
Credit Balance December 31, 1922.....	\$ 180,612.86	
Additions During Year.....	13,230.98	
Credit Balance December 31, 1923.....		193,843.84
<b>Total Corporate Surplus, Credit Balance December 31, 1923.....</b>		<b>\$58,725,098.89</b>

# New Opportunities for the Investor

The Annalist's Weekly Index to Current Security Offerings

## BONDS

Amount.	Name and Description.	Offered By.	Price.	Yield %.	Offered.
\$1,310,000	Albany, N. Y., public improvement and street improvement 4½s, J & D, due June 1, 1925 to 1944.	Guaranty Co. of N. Y.; Solomon Bros. & Hutzler; Equitable Trust Co. of N. Y. and National Commercial Bank and Trust Co. of Albany	....	3.00-3.90	July 15
\$700,000	Albany, N. Y., water supply 4s, J & D, due June 1, 1925 to 1964.	Guaranty Co. of N. Y.; Solomon Bros. & Hutzler; Equitable Trust Co. of N. Y. and National Commercial Bank and Trust Co. of Albany	....	3.00-3.90	July 15
\$100,000	Asheboro, N. C., water and sewer 5s, F & A, due Feb. 1, 1929 to 1963.	Spitzer, Rorick & Co., N. Y.	99.50	....	July 14
\$3,500,000	Associated Gas & Electric Co. sec g conv 6½s, J & J, due July 1, 1954.	John Nickerson & Co.; Hambleton & Co. and Federal Securities Corp., N. Y.	94.50	6.90	July 18
\$115,000	Bennettsville, S. C., sewer extension and street improvement 5½s, J & J, due July 1, 1925 to 1949.	Citizens & Southern Co., Savannah	....	....	July 16
\$1,581,000	Boston Elevated Ry. g 5½s, F & A, due Aug. 1, 1934.	Paine, Webber & Co.; Blodgett & Co.; Curtis & Sanger & White, Weld & Co., N. Y.	101.25	5.35	July 16
.....	Bradford (The), N. Y., 1st a f loan 6% cfs, J & J 15, due July 15, 1939.	Dillon, Read & Co., N. Y.	99	....	July 17
\$500,000	Burdine Properties, Miami, 1st r e 6½s, J & D 15, due June 15, 1926 to 1939.	Meyer-Kiser Bank, Indianapolis	Par	6.50	July 16
\$5,400,000	California, State of, \$1,150,000 highway 5s, J & J 3, due July 3, 1959 to 1961; \$100,000 Sacramento Bldg. 4s, J & J 2, due July 2, 1965; \$625,000 India Basin 4s, J & J 2, due Jan. 2, 1965; \$925,000 harbor impvmt 4s, J & J 2, due July 2, 1969, and \$3,000,000 highway 4½s, J & J 3, due July 3, 1963 to 1965.	First National Bank; Kissel, Kinnicutt & Co.; Anglo London Paris Co.; Detroit Co., Inc.; Eldredge & Co. and Redmond & Co., N. Y., and Bank of Italy, San Francisco	....	4½s 4.10 4s 4.05	July 14
\$275,000	Carbon, Wyo., School Dist. No. 3 5s, J & J, due July 1, 1949.	Benwell & Co.; James N. Wright & Co.; Sidlo-Simons, Feis & Co.; E. H. Rollins & Sons; International Trust Co.; United States National Co. and Antonides & Co., Denver	....	4.75	July 7
\$287,000	Coast Valley Gas & Electric Co. 1st g 6s, M & S, due March 1, 1962.	H. M. Byllesby & Co.; E. H. Rollins & Sons and Hunter, Dulin & Co., San Francisco	98	6.15	July 12
\$1,777,000	Corpus Christi, Texas, State aid seaway ser 5s, A & O 10, due April 10, 1927 to 1946.	William R. Compton Co., N. Y.	....	5.00-5.20	July 10
\$3,000,000	Christiana Securities Co. sec ser g 5½s, J & J, due July 1, 1925 to 1929.	Laird, Bissel & Meeds, N. Y.	....	4.50-5.40	July 10
\$400,000	Dayton-Agriculture Joint Stock Land Bank, Charleston, W. Va., farm loan 5s, J & J, due July 1, 1954.	Fifth-Third National Bank, Cincinnati; Brooke, Stokes & Co., Philadelphia, and Hambleton & Co., N. Y.	101.50	4.80-5.00	July 16
\$379,000	Dayton, Ohio, city school dist 4½s, J & J 10, due July 10, 1926 to 1946.	Blodgett & Co. and Taylor, Ewart & Co., Inc., N. Y.	....	4.00-4.25	July 18
\$450,000	Eero Hall Apt. Bldg., N. Y., 1st ser coup g 6s, J & J, due July 1, 1926 to 1936.	S. W. Straus & Co., Inc., N. Y.	Par	6.00	July 12
\$1,200,000	Essex Co., N. J., g hospital and park 4½s, M & N J & J, due May 1 and July 1, 1929 to 1972.	M. M. Freeman & Co.; A. M. Lamport & Co. and Keane, Higbie & Co., N. Y.	....	4.05-4.10	July 14
\$400,000	Essex Rubber Co., Trenton, 1st (closed) ser g 7s, J & J 10, due July 10, 1925 to 1934.	Peabody-Houghteling & Co., Inc., N. Y.	100.96-100	6.00-7.00	July 17
\$1,250,000	Federal Intermediate Credit Bank debts, due July 15, 1925.	Goldman, Sachs & Co.; Solomon Bros. & Hutzler; A. G. Becker & Co.; Lehman Bros. and F. S. Moseley & Co., N. Y.	....	3.50	July 16
\$15,000,000	Great Consolidated Electric Power Co., Ltd., 1st s f g 7s, Series A, F & A, due Aug. 1, 1944.	Dillon, Read & Co. and Guaranty Co. of N. Y.	91.50	7.85	July 18
\$400,000	Hibbin, Minn., memorial bldg. 5s, J & J 15, due July 15, 1926 to 1933.	Minnesota Loan and Trust Co., Minneapolis	....	4.40-4.60	July 16
\$125,000	Hubbell Bldg., Seattle, 1st ser g 6s, A & O, due April 1, 1928 to 1934.	D. Comer & Co., Seattle	Par	6.00	July 16
\$1,000,000	Houston Lighting & Power Co. 1st & ref 5s, Series A, M & S, due March 1, 1963.	Halsey, Stuart & Co., Inc., N. Y.	91.50	5.00	July 15
\$3,000,000	Idaho Power Co. 1st g 5s, J & J, due Jan. 1, 1947.	Harris, Forbes & Co.; Coffin & Burr, Inc., N. Y., and Harris Trust and Savings Bank, Chicago	93.50	5.30	July 16
\$3,000,000	Kansas City Joint Stock Land Bank farm loan 5s, M & N, due May 1, 1964.	Kidder, Peabody & Co., N. Y.	101.50	4.80-5.00	July 16
\$1,121,000	London, Ontario, 5s, J & D 30, due June 30, 1925 to 1944.	A. E. Ames & Co., Toronto	99.50	....	July 12
\$363,408	Lucas Co., Ohio, highway 5½s, due 1925 to 1949.	Stranahan, Harris & Oatis, Inc., and A. B. Leach & Co., Inc., N. Y., and Northern Trust Co., Chicago	....	3.50-4.20	July 10
\$6,000,000	Luzerne Co. Gas & Electric Corp. 1st & ref g 6s, M & S, due Sept. 1, 1954.	Drexel & Co., Philadelphia, and Stroud & Co., Inc., and Bloren & Co., N. Y.	98	6.15	July 11
\$250,000	Massell Realty Co., Atlanta, 1st ser coup 6½s, due 1926 to 1934.	S. W. Straus & Co., Inc., N. Y.	Par	6.50	July 18
\$4,422,000	Missouri Pacific R. R. Co. 1st & ref g 5s, Series A, F & A, due Feb. 1, 1965.	Guaranty Co. of N. Y. and Dominick & Dominick, N. Y.	83	6.14	July 14
\$450,000	National Foundry Co., Erie, 1st ser g 6½s, J & J, due July 1, 1926 to 1936.	McLaughlin, MacAfee & Co., Pittsburgh	....	6.50-7.00	July 15
\$1,161,000	New Brunswick, Province of, g 5s, J & J 15, due July 15, 1934.	A. E. Ames & Co., Toronto	101.25	4.85	July 17
\$2,400,000	New Orleans, Texas & Mexico Ry. 1st g 5s, Series B, A & O, due April 1, 1954.	W. A. Harriman & Co., Inc., and Blair & Co., Inc., N. Y.	92	5.55	July 14
\$1,050,000	1900 Rittenhouse Square Apts., Philadelphia, 1st ser g 6½s, J & D 2, due June 2, 1926 to 1936.	American Bond & Mortgage Co., Inc., N. Y.	Par	6.50	July 14
\$2,807,000	Norfolk, Va., \$1,700,000 gen impvt 4½s, J & J, due July 1, 1928 to 1939; \$1,107,000 public impvt 4½s, J & J, due July 1, 1947.	First National Bank; Kissel, Kinnicutt & Co.; White, Weld & Co.; Halsey, Stuart & Co., Inc.; Eldredge & Co.; Remick, Hodges & Co.; Redmond & Co.; B. J. Van Ingen & Co.; Detroit Co., Inc., and Keane, Higbie & Co., Inc., N. Y.	....	4.40-4.50	July 10
\$1,500,000	North Dakota, State of, farm loan g 5½s, J & J, due Jan. 1, 1934 to 1949.	Spitzer, Rorick & Co., N. Y.	....	4.65	July 15
\$2,150,000	1,088 Park Av., Inc., 1st ser coup 6s, due 1927 to 1939.	S. W. Straus & Co., Inc., N. Y.	Par	6.00	July 16
\$1,000,000	Pennsylvania Joint Stock Land Bank farm loan 5s, J & D, due June 1, 1954.	Martin & Co. and Brooke, Stokes & Co., Philadelphia	102	4.75-5.00	July 10
\$1,000,000	Penn. Water & Power Co. 1st ref g 5½s, Series A, A & O, due Oct. 1, 1953.	Minech, Monell & Co., N. Y.	99	5.55	July 15
\$169,000	Perth Amboy, N. J., school 4½s, J & J, due July 1, 1926 to 1962.	M. M. Freeman & Co. and Ludwig & Baehle, N. Y.	100.95-107.40	4.25-4.35	July 17
\$5,000,000	Philadelphia, Pa., school district ser g 4½s, F & A, due Feb. 1, 1935 to 1954.	Reilly, Brock & Co.; Robert Glendinning & Co. and Edward B. Smith & Co., Philadelphia	101.697-103.425	4.05	July 17
\$320,000	Port Huron, Mich., direct oblig 4½s, J & J, due July 1, 1929 to 1944.	William R. Compton Co., Detroit	....	4.25	July 11
\$700,000	Richmond, Va., 4½s, J & J, due July 1, 1968.	Eldredge & Co., N. Y.	105.40	4.20	July 15
\$1,512,400	Rochester Telephone Corp. 1st & ref g 6s, Series A, A & O, due April 1, 1946.	R. F. De Voe & Co., N. Y.	....	5.08	July 16
\$400,000	Saginaw, Mich., street impvt 4½s, J & J, due July 1, 1925 to 1934.	Howe, Snow & Bertles, Inc., Detroit; Austin Grant & Co., Inc., and Eastman, Dillon & Co., N. Y.	....	3.50-4.10	July 12
\$700,000	St. Louis Southwestern Ry. Co. 6% sec g notes, part cfs, M & S, due March 1, 1930.	R. F. De Voe & Co., Inc., N. Y.	101.25	4.00-5.75	July 18
\$950,000	Salina Light, Power & Gas Co. 1st s f g 6s, Series A, A & O, due April 1, 1943.	Taylor, Ewart & Co., Inc., N. Y.	Par	6.00	July 12
\$1,000,000	San Antonio Joint Stock Land Bank farm loan 5s, M & N, due Nov. 1, 1953.	Hayden, Stone & Co., N. Y.	101	4½-5.00	July 17
\$119,300	San Miguel Co., N. M., ref 9½s, J & J, due July 1, 1929 to 1948.	United States National Co.; Bosworth, Chanute & Co. and International Trust Co. of Denver	....	4.90	July 9
\$285,000	Security Bldg. & Liberty Theatre, Kansas City, 1st ser 6% notes, due 1925 to 1938.	Commerce Trust Co., Kansas City	Par	6.00	July 16
\$128,000	Shaker Heights, Ohio, street impvt 5½s, A & O, due Oct. 1, 1928 to 1933.	Taylor, Ewart & Co., Inc., N. Y.	....	4.00	July 15

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JUL 21

# The ANNALIST

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## THE BUSINESS OUTLOOK



It is a pleasure to every one, it is to be hoped, to see at last in the immediate prospect of business something so definitely and solidly cheering as the rising prices of wheat and corn. It is true, of course, that with large increases in the price of these grains, the industrial workers in the towns will have to pay more for their flour; and those who choose to eat pork next year (and probably the same will be true in a measure of beef) will have to pay more for their chops and roasts. The form of the adjustment may not be ideal, but at any rate it serves in its measure to redress the present state of unbalance between the purchasing power of the farmers and that of the wage earners.

If the advance continues—and there are professional students of the markets who expect to see wheat much above the present price—it is likely to have political effects, and through these economic, of large consequence to the country. The Interstate Commerce Commission has just refused to order a reduction of grain rates over the Western railroads, against a strong minority in the commission, one of whom declared as a basic fact that "grain prices had attained a new and permanent lower level." This has evidently been the conviction of the wheat States, which have sought to make the railroads carry their grain at a loss. If the conviction fades under the light of higher prices, there may also be some fading of the bitter anti-railroad temper, which is one of the disturbing signs in our economic skies.

### Wheat and the Elections

No small effect in the coming elections may result also from a continued rise in wheat prices. The low price of wheat has been the backbone of agrarian discontent in the West, and if that backbone is now to be broken, what will happen to the activity of the discontent? Will wheat farmers who will be getting more than \$2 a bushel for good milling wheat vote the radical, third party ticket, or will they give some thought to the purely natural, and, it may be added, purely fortuitous causes of their good fortune; and on that basis of fact will they discount the economic demagoguery of the radicals as heavily as it ought to be discounted? They will discover that their wheat commands a high price because there is not too much of it, and because—more important—Europe has a much smaller crop than last year both of wheat and its substitute rye; while their chief competitor, Canada, has a crop nearly 200,000 bushels smaller

than last year. At the new high prices, perhaps, even they will be able to praise the quick transportation by the railroads which they accused a few days ago of spending too much on improving service last year. If the wheat farmers could

Fall draws near, and in part a response to the higher wheat market, which encourages hopes of larger sales to the farming communities. In a measure, that would be the result of sustained and considerably higher prices for

in six years. It seems not improbable that this marked slump reflects the moderate plans of factory owners.

### Decreases in Employment

Employment, as reported in preliminary figures from the Department of Labor, show a greater decline in June than was reported lately for the industries of New York State. Against a 2 per cent. drop in New York State, Washington reports for the manufacturing industries a drop of 3.8 per cent. in number employed, and a decrease of 6.7 per cent. in payrolls. As in New York State, the men's clothing industry was the only one of the textile occupations to show an advance, this being the active season in that trade.

Six of the seven iron and steel group of industries, says the report, show decreased employment in June, the structural ironwork industry being the one exception, this also being the result of seasonal activity. The iron and steel industry alone dropped 7 per cent. of its employees and paid 16.8 per cent. less in wages, while the combined seven industries dropped 4.6 per cent. of their employees and paid 10.5 per cent. less in wages. In the remaining nine groups there were only two increases in employment in June, and only five increases in earnings. The vehicles group of industries and stamped ware both decreased 7.2 per cent. in employment, while the leather and chemical groups both decreased over 5 per cent. The greatest decreases among the individual industries in these nine groups were: In the fertilizer, agricultural implement and automobile industries. The fertilizers' and agricultural implements' decreases are entirely seasonal.

In regard to diminished employment on the considerable scale which now prevails, it may perhaps be worth noting that any quick resumption to full volume will have to be made against a certain rather large inertia in the mere processes of business. At present the buying resistance seems to come, in merchandise from the retailer as representing his own idea of the consumer; and elsewhere directly from the consumer, whether "ultimate" or a consumer of primary goods in the production of ultimate consumers' goods. There is pretty evidently no great confidence in the immediate resumption of business activity, and the resumption will be delayed, possibly, by an uncertain position in the course of the development of the political campaign. No likely development now in sight suggests a change in the temper of business so great as to make probable an early wide increase of employment on a large scale.

### Steel Still Merely Hopeful

This situation is well illustrated by conditions in the steel industry, where a rather notably hopeful disposition—if

There is a slight ripple of hopefulness on some parts of the surface of business, due to the approach of Autumn, but still more to the developing boom in wheat. But no real revival of basic industries is perceptible, nor is there present ground for expecting any definite rise.

Inauguration of the Dawes Plan raises hopes in some quarters of enlarged American exports, and in some measure such results would follow. Lending abroad, however, will not solve the main problem before American industry—the problem of reducing it to economically sound dimensions.

he induced to reason, with minds adequately provided with actual facts, they might even discover the possibilities in revising downward the tariff burden on the things they buy. The possibilities are of large magnitude.

### Politics and Other Business

So far, the business community does not seem to have taken very seriously the existence of the two candidates and two platforms of the major parties, just as it is apparently disposed to take lightly the threats of the third party. And one gets a rather curious impression that somehow the business community does not expect to be much excited over the later developments. This impression may be due to the fact that neither (supposedly major) candidate is as yet technically aware that he has been nominated, and has not yet declared what he thinks about his particular party program. There is much quiet work going on in the direction of "organizing" the campaigns; yet it is fairly evident that the shrewdest political observers look to the popular temper rather than to the campaign mechanics for the real indications of what is going to happen at the elections. A marked and visible drift to the third party candidate, such as might result in throwing the election into the House, would unquestionably alarm business. At the moment, however, no such pronounced drift is visible, and the movement of grain prices will to most minds make it seem unlikely to occur on a threatening scale.

### Other Business Signs Not Upward

Though faint stirrings of greater interest in buying for Autumn are reported in scattering press interviews, and are mentioned in the weekly trade reviews, it is apparent that these more hopeful attitudes are mainly reflections of the expectation of better business as

wheat; but the movement has not yet gone far enough, nor so proved its staying quality as to warrant very definite expectations. And in other directions, the definite signs are in no instance specifically hopeful, though at the same time they do not clearly point downward. It is reasonable to expect that through October there may be no further marked decline, and possibly not even after that. But for the immediate future it is difficult to discern any probable rise greater than a mild stimulus from Fall buying, and this is controlled, in the long run, by other influences than those of mere season.

### Freight Traffic Still Declining

Against the vague hopefulness just referred to, the indications of the freight loadings figures represent a more fundamental business fact and a trend whose inertia, under all the circumstances of the last three months, must be taken with a good deal of seriousness. The movement of employment, in the same downward direction, is likewise unfavorable, and is also a movement of considerable inertia.

Freight loadings for the week ended July 5, making allowance for the fact that the Fourth of July did not fall in the corresponding week of 1919, are practically "normal," namely, the same as the average for that week in the previous five years, 1919 to 1923, inclusive.

Cumulative loadings for this year, however, are slightly below normal—the five-year average. Freight traffic is now definitely less than in 1923, though it leads 1920 in cumulative loadings by a million and a quarter cars. The drop from the preceding week, that ended June 28, was the very large one of 148,413 cars. Loadings of coal and coke show a remarkable decline, the drop of 23 per cent. from the week before being the largest in the Fourth of July week

one is to trust press accounts—coexists along with a pretty persistent absence of any real pick-up. Says The Iron Age:

The larger amount of new business is due to needs accumulated while rolling mills were idle at the beginning of the month, and does not signify increased consumption. In some sections, in fact, consumption is less. The metal-working industries in the Cleveland district, for example, are now operating at about 35 per cent. of capacity, as compared with 50 per cent. late in June.

In no measurable degree has the situation in regard to railroad, structural or automobile demand shown a turn, except for a number of releases received by automobile parts makers on long-standing orders, and the preparations of several car builders to begin production on new models. \* \* \* New buying is better in sheets and bars than in most other products, but the market is weaker.

It may be added that somewhat better buying of scrap steel and iron is taken by some observers as a possible sign of increasing activity; but there is nothing to support this view except the rather doubtful analogy of occasional former experiences.

#### Automobile Trade Repressed

A portion of the professional optimism which seems to be a necessary element in all lines of trade very naturally makes its appearance in the published accounts of the present state and future prospects of the automobile industry, as when one of the trade organs announces that

"vacations, inventory-taking and the introduction of new models have seriously interfered with automobile production for the past month. \* \* \* The slowness of June may be properly attributed to a general housecleaning in the way of cleaning up old stocks and balancing 1924's ledgers. \* \* \* But 'the sales managers have not forgotten that dealers throughout the country still have considerable stocks in the warehouses, and every effort is being made to deplete these so the retailers will be able to wipe the 1924 slate clean before the new jobs come through.'"

The general miscalculation which governed this season's operations by the manufacturers appears in one form in the announcement by one of the largest producers that its sales for the first half of this year were 93 per cent. of those in the same period of last year, instead of the expected large increase for which the country's plants were pushed to capacity last Winter.

Total production for the country in June, as announced by the Automobile Chamber of Commerce, was 20 per cent. less than in May.

Perhaps most significant of all the new figures as a clue to the difficulties of the automobile industry is the marked slackening in new licenses, as reported by the Akron Chamber of Commerce. As of July 1, the motor vehicle registration for the country was 15,409,840, against 15,092,177 the year before. The increase in a year, namely, 317,663, is the smallest annual gain in many years past. And the smallness of the gain in relation to the dominating pleasure-car market appears from the fact that trucks and buses accounted for more than half of this year's increase (174,154), while the gain in pleasure cars was only 143,509—a trifle more than 1 per cent. of the total of pleasure car licenses.

#### Automobile Market Near Saturation

These figures, taken altogether, lend more than a little support to the view expressed in some quarters that the automobile market is a good deal nearer saturation than the manufacturers had supposed, and that the expanded operations of last Winter were not justified. There does not seem to be a large probability that the market will soon rebound to the figures lately hoped for. And

there is at least room for questioning whether the fault does not lie mainly with an excessive pushing of the installment sales method. The automobile makers might do worse than to remember that it was mortgages more than anything else that lately "ruined" the Western wheat farmers.

A hopeful note in the automobile industry is the increase in exports, amounting in June to nearly 7 per cent. of the production. This helps the industry at home. But it is desirable to keep in mind that in few other countries can any absolutely large number of persons bear the expense of operation and repairs which sets in as soon as the car buyer begins to operate his car. For all the lower-priced makes this expense on active operation is a high annual percentage, sometimes close to 100 per cent. of the original cost of the car. It is probable that not all the rest of the world can afford to run as many cars as are now licensed in the United States alone; and this sets a limit to exports—which should be pushed, nevertheless.

#### Business and Foreign Investments

Aside from the features already mentioned, those being pretty fully typical of the industrial and trading sides, it is probably correct to say that the larger hopes of business are centred on the successful launching of the Dawes plan, American investment in German industrial bonds, and in the stimulus to our export trade which is expected to result from the accomplishment of this combination.

The business world of large financial interests seems to have become convinced that the industry of the United States is so greatly overexpanded that somewhat serious difficulties at home can be avoided only by a marked increase of our exports. This they hope—or many of them—can be accomplished through loans to Europe which shall specify that all foreign purchases paid for out of these loans shall come to America. There is indeed a measure of hope in this. Germany will have no choice but to buy her cotton and copper from the United

States, for they are obtainable nowhere else. To some extent, also, American loans which may be made to public utilities may be tied to the purchase of material in this country. This will help matters here at home. But it will not strike at the roots of the real difficulty, which is our excess of manufacturing capacity in lines of which the struggling countries of Europe cannot afford to buy heavily of us, and for their own fiscal and industrial good ought not to. Germany, in particular, will have to pay interest and amortization on the huge sums she expects to obtain from the United States by her excess export trade; and any American policy which seeks to get Germany to buy from us more than she can turn into salable exports will defeat its own ends.

With all possible allowance for such increased markets abroad, it seems an inevitable conclusion that what American industry must face is a marked shrinkage in actual producing capacity. And the longer the task of reduction is put off, the more difficult it will become.

## The Annalist's London Letter

By ROY HOPKINS

Special Correspondence of The Annalist.  
LONDON, July 9.



JUNE appears to have been a quiet month for British trade, as far as one can judge from the statistics now available. In 1924 as in 1923, business took a marked upward turn early in the year, advanced steadily up to the end of April, and thereafter lost all its impetus. Last year the retrogressive movement had definitely begun by this time, but the experience of 1924 has been happier in the sense that no appreciable amount of ground has been yielded as yet. If only the seasonal quietness of the holiday weeks can be got over without any serious recession, early Autumn demands may be sufficient to bring about a resumption of the forward movement, though at a less rapid rate than obtained during the Spring.

#### Unemployment Still Declining

Nine Englishmen out of ten measure the extent and significance of trade movements by reference to the unemployment returns. Although certain trades, such as agriculture, do not come within the scope of these returns at all, the Ministry of Labor's figures are probably the most accurate and comprehensive ever published in any large industrial community. About 12,000,000 workers are included, and of these 1,013,000—about 9 per cent. of the whole—were unemployed in the third week of June. A large number of these workers were unskilled or semi-skilled. For skilled workers the unemployment percentage is something like 7 to 7½, and a certain proportion of the total would be unemployable at any time. Possibly about 500,000 would be out of work were trade conditions normal, so that at present the reserve labor force of our economic system is twice as large as it ought to be. On the other hand, the total is more than 200,000 less than a year ago, and (except for a slight setback early in June which has since been made good) has continued to fall steadily through all the fluctuations of the last six months.

This is gratifying as far as it goes, but its use as a barometer of trade con-

ditions is open to serious objections. Seasonal fluctuations affect the figure considerably—it moved, for instance, by as much as 100,000 in one week at Christmas time last year. Men may be kept in employment completing contracts placed some weeks earlier, while the volume of new orders has fallen away. This seems to be the state of affairs at present. The Government, the railways, and many local authorities, again, are carrying out numerous road making, bridge building, rolling stock replacement schemes for the express purpose of absorbing some of the unemployed, so that the real position is less favorable than the Labor Ministry's figures suggest. The order books of some of our largest engineering and steel concerns would no doubt enable one to diagnose trade conditions with greater accuracy, but, unlike the United States Steel Corporation, British companies have never been persuaded to divulge information of this kind.

#### Railway Traffic and Coal Production

The receipts of the four trunk railway lines showed an upward tendency last month, the average weekly total being £3,783,000 against £3,621,000 in May and £3,743,000 in June, 1923. Increased passenger traffic during the Whitsuntide holidays would account for most of the rise, and in comparing these figures

average amount of coal obtained from British mines was something like 5,100,000 tons a week, compared with 5,462,000 in May. These figures, again, are difficult to interpret. Export trade in coal has fallen off chiefly owing to increased production in Continental Europe, which has little or no connection with events at home. A significant proportion of the British coal output is used in ships' bunkers, and the quantity tends to rise and fall in sympathy with movements in world trade rather than British trade.

Wholesale commodity prices showed, on the whole, very slight variation during May. While wheat prices were higher, the other cereals came out cheaper on balance, and the only changes of note occurred in the minerals group. At June 30 The Economist index number showed a rise of 76.6 per cent. as compared with July, 1914. The corresponding figure for May 31 was 76.5 per cent. From August, 1923, to February of the present year prices moved steadily upward, an increase of 12 per cent. being registered during the eight months. Since then they have declined very slowly, and are now about 8 per cent. above their level at this time last year.

#### London Money Market

Some idea of money market conditions may be obtained from the following:

WEEKLY AVERAGES.			
	1924—	June.	Compared With
	May.		a Year Ago.
Bank of England note circulation (million £s)	125.0	126.2	+ 1.9
Currency note circulation (million £s)	288.6	291.5	+ 4.3
Bank clearings, London (million £s)	750	734	+46
Five Provincial towns (million £s)	29.5	27.4	— .1
Discount rates—			
Three months' bank bills (per cent.)	3 1-10	3	+ ½
Day-to-day loans (per cent.)	2½	2	+ ½
Issues of new capital (million £s)	9.7	4.4	— 3.8
New York exchange (dollars to £1)	4.35%	4.32½	— .28½
*Average of three weeks including Whitsun holidays.			

month by month it has to be remembered that from June to September—the holiday season—a decline in merchandise carried is usually more than offset by increases in passenger traffic.

Coal production is regarded by some people as a fairly reliable barometer of trade conditions. During June a marked decline was recorded under this heading. Apart from Whitweek, when the mines were closed for a couple of days, the

The amount of cash in use has expanded of recent weeks, the rise of a million and a quarter in the bank note total representing, in the main, a strengthening of reserves of the large joint stock banks, while a somewhat greater proportion of the three million additional currency notes may have found its way into circulation in the country. Check clearings show a con-

Continued on Page 87

# The Week in Europe

By NICHOLAS ROOSEVELT



ARE the rights of Germany's new creditors—those who will lend her money under the Dawes plan and who will make other advances to her—to take precedence over the rights of Germany's old creditors, the Governments to whom she owes money under the reparations obligations? This problem underlies the Franco-British duel being held in London.

The British are more interested in the former, the French in the latter. Having abandoned hope of obtaining substantial payments from reparations the British are concerned primarily with the revival of German markets. Hence they wish to see Germany's new creditors safeguarded at any cost. The French, on the other hand, while realizing the importance of safeguarding the rights of the new creditors, are unwilling to make any concessions which will weaken their own rights as the principal creditor nation under the reparations payments.

As the foremost potential creditor of Germany under the Dawes plan, the United States, of course, shares England's interest in seeing the new loans safeguarded. But as the creditor for billions of dollars of the French, Italian and other allied Governments, the United States is also interested in seeing Germany make as large reparations payments as possible.

## The Machinery of the Dawes Plan

No serious obstacles are expected in connection with the machinery of the Dawes plan. The most ticklish question has been to decide when the plan may be declared to be actually in effect. This requires legislation by the Germans providing for the creation of the necessary boards, and for turning over to them the railroads and other properties which these are to control. These boards must then be appointed, and must work out the administrative details connected with consolidating the properties taken over for administration. The railroad and industrial debentures must then be issued and deposited with the trustee. Finally, the \$200,000,000 loan must be underwritten.

The principal hitch in these operations is in the sequence of events. As laid down above, however, they have been approved by the Reparation Commission, and so will probably be accepted by the London Conference despite the expected objections of the Germans. The latter demand that the French evacuate the Ruhr before these conditions have been fulfilled. The French and Belgians decline to leave until after they have been fulfilled. There is little doubt that the French point of view will prevail. More complicated is the precise order and time of evacuation, the French being unwilling to withdraw altogether and at once. This also, however, is a detail which, while it may cause bitter discussion, is not difficult to settle.

## The Question of Penalties.

The extent of French withdrawal from the Ruhr, is, however, closely bound up with the great problem of the conference—penalties in case of default. The French are determined to make it possible to reoccupy the Ruhr in case Germany deliberately and flagrantly de-

faults. Against this the British are firmly opposed. Not only do they disapprove in theory of the use of such sanctions, but they see that in practice it would injure German trade and would weaken the new creditors at the expense of the old. The French, who have had more intimate contact with the Germans during the last hundred years than have the English, are convinced that if Germany is made to see that willful default on her part will involve the reoccupation of the Ruhr, she will never be tempted to default.

Hence the difference of opinion about the body entitled to declare Germany in default. The French contend that this power lies in the hands of the Reparation Commission. The British question this and seek, instead, to have an American arbitrator or, at least, to have an American sit with the Reparation Commission for the purpose of determining the default. They also wish to make it impossible for any punishment to be inflicted except with the consent of the Agent General for Reparations, who is expected to be an American, and of the trustee for the bondholders.

The difficulty lies in the possibility that Germany would default in reparations payments, and yet not fail to satisfy her new creditors. If the policy of evasion is to be continued, it can well be done by a skillful manipulation of Germany's finances in such a way as to cut down the amounts going toward reparations without invalidating the prior lien which the new loan has on Germany's revenues. In this matter a split between the new and the old creditors can be created. Obviously the latter (primarily France and Belgium) would be unwilling to see this happen and, if they were convinced that Germany was simply "soldering," would insist on the application of penalties. Inasmuch as these penalties would, temporarily at least, upset Germany, they would work against the interests of the new creditors. Hence a situation might well arise in which Germany would be able to evade payments on the reparations through a split between the Allies.

## An American Executor of the Dawes Plan

It is expected that Owen D. Young will be appointed Agent General of Reparations, whether or not he will have anything to say in case of default. This position is one of the most important in the entire scheme. Under the terms of the Dawes plan the Agent General is the coordinating agent between the Reparation Commission, by whom he is appointed, and the heads of the various other commissions set up by the plan. These include the Commissioner of Railways, the Commissioner of the Bank of Issue and the Commissioner of Controlled Revenues. To the credit of the Agent General for Reparations all payments for the account of reparations, however derived, will be deposited. The withdrawals from this deposit are to be made by the agent only, under the direction of a committee composed of five members known as the Transfer Committee, of which he is the Chairman. Inasmuch as the highly complicated and delicate procedure of dealing in exchanges to effect payments to the account of the Allies will be handled by this committee, it is clear that the agent's responsibilities are great.

In case this position is not given to Mr. Young, it is likely that he will be named

as trustee. Under the Dawes plan the trustee is to receive and administer the railway and industrial bonds. He will also be charged with their sale, redemption and amortization, and may issue new securities. It is the idea of the British that he shall also have a voice in declaring Germany in willful default.

## German Demands for Military Evacuation

The German Nationalists are determined to force the issue of military evacuation of the entire German occupied territory. That they can succeed is, of course, not to be expected. But they may at least be able to embarrass the Marx-Stresemann Government. It will be recalled that the Versailles Treaty provided for the progressive evacuation of the Rhineland and the occupied Rhine bridgeheads, in five-year intervals, the total time to occupy fifteen years. There have already been disputes as to the date from which this occupation should commence, the Germans claiming that it runs from the signing of the peace treaty, and the French that it has not yet begun. The Ruhr region and one or two other spots occupied by way of penalty are not included in this fifteen-year schedule, and this occupation has, therefore, been held by the Germans to be altogether illegal.

The Dawes plan specifically dodged the issue of military occupation, and provided only for the cessation of the economic control of the Ruhr, which the French and Belgians have exercised since January, 1923. There is no reason why troops cannot be maintained in the Ruhr without in any way affecting the economic unity of the German Reich. Their presence would be, of course, highly distasteful to the Germans, and it is doubtful how valuable they would prove to the French. But they would not hinder normal economic life.

The German Nationalists are backed by the rest of the Germans in demanding that the French troops be withdrawn from the Ruhr. To do anything else would be to admit the legality of the occupation, which the Germans, of course, would never do. But when they demand the evacuation of the rest of Germany they are asking the impossible. No good can come from it, and it may make trouble for the Government.

## Effective American Participation

Reports of the activities of the American representatives at the conference should be encouraging even to those who believe that the method of "unofficial" representation is unworthy of our great nation, and who would have us either go in altogether or keep out. Not only have Messrs. Kellogg and Logan made it clear that we are anxious to see the Dawes plan put into effect, and have no objection to Americans being named to the different posts, but they also helped bring together the conflicting points of view of the French and the British. This was one of the principal functions of Messrs. Dawes and Young on the Committee of Experts. The technical knowledge was mostly in the possession of the European experts, but the task of reconciling opposing views was largely in the hands of the Americans.

In the present case it so happens that Ambassador Kellogg's principal adviser, Colonel Logan, is well liked by the French and the British, and so is in a particularly good strategic position to serve as harmonizer. Mr. Young, who is also in London "unofficially," has influence with both sides. Should there come any serious trouble, America may be able to play a decisive rôle owing to the fact that during the present week

Secretary of State Hughes and Mr. Mellon will both be in London, and Ambassador Houghton expects to stop off there on his way to Berlin. If their presence is a coincidence, it is a most fortunate one.

## Reviews of Books

**THE FITCH BOND BOOK, 1924.** 1,964 pp. New York: The Fitch Publishing Company.

THE new Fitch Bond Book, just out, should be of great value to every one interested in the purchase of the issues of railroads, industrials and public utilities of the United States and Canada and the external dollar issues of foreign Governments. The first three are combined and conveniently arranged alphabetically and the foreign Government issues follow in a separate grouping. As stated in the introductory remarks to the volume, the purpose of Fitch Bond ratings is to anticipate, as accurately as possible, defaults, receiverships, foreclosures, readjustments, sharp declines in market values, and other conditions which result in investment losses, and to facilitate the selection of bonds for purchase or sale. The ratings are under four different heads, the "A" being the highest and the "D" the lowest. Each of these heads has three subdivisions, which serve to show the rating within the group—for example, "A," "AA" and "AAA." The volume is handsomely bound and got up and is of great importance to that part of the public which needs detailed information regarding bond issues and counsel as to the investment of surplus funds.

**THE BUSINESS LETTER-WRITER'S MANUAL,** by Charles Edgar Buck, B. E. A. New York: George H. Doran Co. 1924.

ONE of the most important functions an executive has to perform is the writing of clear, forceful business letters, and it is extraordinary how few men are capable of doing so. This volume is intended to act as an aid in reaching such a goal. Its author has for many years studied the question and presents his views in a manner which should be helpful to almost any business man. There are chapters on "Before You Dictate," "How Shall We Begin the Letter?" "How Shall We Close the Letter?" "The Modern Make-Up of the Business Letter," "Some Powerful Factors in Business Letters," chapters on the various types of business letters—the order, complaint, credit, sales, collection and collection follow-up letters—and a final chapter giving examples of good average business letters. The book is highly recommended.

**FINANCIAL ORGANIZATION AND MANAGEMENT,** by Charles W. Gerstenberg, Ph. B., J. D. New York: The Prentice-Hall Co. 1924.

THIS is a companion volume to the author's previously published work on "Materials of Corporation Finance" and contains reprints of various documents illustrating financial methods used in launching a new enterprise and carrying out an effective financial policy after it has been established. Charts and illustrations are provided in making the subject clear. The author is Professor of Finance in New York University, and the material contained in his book is practically the course in corporation finance as given in that institution for some years past. In his preface he states, however, that in the preparation of the work he has kept constantly in mind the casual reader and the average business man, so that it is not only suitable for the student but for others as well. It is an extremely well done and valuable volume.

# Weather Signs in the Foreign Securities Market



**T**HERE is no present danger of depriving this country of adequate capital by investing in foreign securities," says E. H. H. Simmons, President of the New York Stock Exchange, in a recent article in The Spur, "provided the capital is to be used to repair the ravages of past wars or to restore the borrowing nation to economic health. \* \* \* The time is already here when foreign securities are not a mere curiosity to our investing public, but an important group of the outstanding investments of this country. But if New York is really to exercise in a large and permanent way the functions of an international securities centre, in competition with the older markets of London and Paris, the need of making available dependable information concerning foreign financial matters is still great, and its importance to this and other countries alike can scarcely be overestimated."

## Argentina and the Rise in Grain Prices

**O**NE of the countries to profit chiefly by the recent rise of grain prices has been Argentina. Within the last six weeks wheat for immediate delivery has risen in value 25 per cent. and corn 45 per cent. Argentina, by reason of being in the Southern Hemisphere, harvests her grain crops six months later than the wheat countries of the Northern Hemisphere. Consequently she is in a peculiarly fortunate position at the moment to be able to take advantage of the strong demand at steadily rising prices for all cereal crops for immediate delivery. On June 15 she still had on hand 63,000,000 bushels of wheat for export and 166,000,000 bushels of corn. The percentage rise above indicated in these crops alone when applied to her exportable surplus available on June 15 would add \$100,000,000 to Argentina's income this year.

This improvement in the grain market has coincided with an equally strong demand from Europe for Argentine meat exports. Thus, in the year ended last June 30 Argentina had the largest exports of meat in any year of her history, not excepting the unusually good war years.

## Improved Processes in Oil

**I**N the realm of oil an interesting announcement made last week was that of the formation of the Silica Gel Foreign Petroleum Corporation, which has acquired the right to exploit the processes for treating and refining oils in all parts of the world, outside of the United States, formerly held by the Silica Gel Corporation. It is formed in conjunction with the Royal Dutch, and the latter, it is said, has already signed several contracts for equipping some of its plants with the silica gel process.

## Nicaragua Cleans House

**N**ICARAGUA further put her house in order by completing the payment of her debt to Brown Bros. & Co. and Seligman & Co. and, as a result, the Pacific Railroad of Nicaragua, held as collateral, is once more the property of the State. She now has only one foreign loan outstanding, the Ethelburga Loan of London. This was placed, it will be remembered, in 1909 for £1,250,000, but has since been reduced to about \$4,000,000.

## Japanese Prefer Our Money Market

**T**HE most important of the week's foreign offerings was the \$15,000,000 Great Consolidated Electric Power Company, Ltd., first mortgage 7 per cent. sinking fund gold bonds, Series A, dated July 1, 1924, due July 1, 1944, placed on the market by a syndicate headed by Dillon, Read & Co., New York. It is understood that the Guaranty Trust, the National City Bank, the American Foreign Power Corporation and the General Electric have taken substantial blocks of these bonds. There are 15,000 stockholders of the company in Japan, and the importance of the fact that the United States, rather than Great Britain, was chosen to float the issue has already been emphasized in the daily press. The reasons now assigned for this are that America, and not England, will be the principal money centre of the future, that American engineers stand head and shoulders above others in the hydroelectric industry and that practically all of the hydroelectric equipment already owned by the Japanese company was manufactured either by the General Electric or the Westinghouse Company. Ownership of considerable blocks by American interests will probably mean the purchase in this country in the future of practically all additional equipment necessary.

The company's outstanding capitalization after giving effect to the first mortgage bonds and to payment by stockholders on Oct. 1, 1924, of \$5,000,000 on subscribed capital stock, will be:

First mortgage bonds (this issue) .....	\$15,000,000
Debenture bonds .....	14,825,000
Capital stock .....	56,481,500

## The Hungarian State Loan

**T**HE sudden fall in value here and in London last week in the State loan of the Kingdom of Hungary 7½ per cent. sinking fund gold bonds, due Feb. 1, 1944, remains unexplained by the investigation which followed closely on its heels. It was first thought to be due to the dumping by a syndicate member on the London market of a block of the bonds which could not be disposed of here, but, upon investigation, it was found that none of the participating houses was responsible and it seemed unlikely that a private individual would go into the London market to sell, as greater profit could be derived from the sale of these bonds in New York. A recovery was noted in New York after this announcement, and the bonds closed the week at —. The loan was secured by a first lien on revenues, the yield of which in the first four months of 1924, according to figures at hand, was at the annual rate of \$16,208,000, or more than two and a half times the annual interest and sinking fund requirements. One of the most important of the revenues pledged is the tobacco monopoly, the yield of which was estimated at \$400,000 monthly. In April, according to figures just now available, it was \$560,000, and for the first twenty days of June, about \$1,000,000. The increase was due in part to higher prices for tobacco products and in part to the more efficient sales system adopted.

## Vauclain on Mexican Business

**M**ANUFACTURERS and bankers of this country should use a small part of the enormous amount of gold which they are not able to invest to any advantage in financing Mexican

business, instead of allowing the gold to lie useless in their vaults," said Samuel M. Vauclain, President of the Baldwin Locomotive Works, in an address before the Mexican Chamber of Commerce in the United States last week. He stated that many factories in that country, visited by him, were on a higher plane of efficiency than many others he had observed in other parts of the world. Special reference was made by Mr. Vauclain to shoe and clothing factories, which he found clean, well ventilated and having prosperous looking factory workers.

## Of Interest to Salvadorean Investors

**P**ROSPECTIVE buyers and present holders of Salvadorean securities, which were listed in these columns last week, will be interested to know that the fiscal representative of the Metropolitan Trust in Salvador, W. W. Renwick, was formerly associated for many years with the National City Company of New York. It is his duty to oversee the collection of customs in Salvador, and it is these customs collections which are the security behind the bond issues named.

## Collections in Salvador

**T**HE customs collections for the Republic of Salvador for June were \$238,501, and for the first six months of 1924, \$2,928,622, or nine times interest and sinking fund charges on the 8 per cent. customs first lien bonds.

## Legal Restrictions Needed in Oil Production

**T**HE earnings of the Royal Dutch Company in 1923 showed no change from those contained in recent cables, according to the annual report, copies of which have lately reached this country.

Chairman H. W. A. Deterding, commenting on the Dutch East Indies petroleum situation in the year 1923, states: "Too much oil was produced and the consumption did not keep pace with it. \* \* \* In the Spring a tremendous drop in prices set in, which did not come to a standstill until the end of the year. \* \* \* In various countries it led to a hurried and consequently wasteful method of exploitation. This especially applies to such oil districts where the owners of the surface rights are at the same time owners of the oil in the ground, and thus many holders of comparatively small fields are naturally in feverish haste to obtain possession of the precious product before it is snatched away by the neighbor. \* \* \* As long as the laws, however, allow the holders of even the smallest piece of land to exploit exactly as they please, there can be no improvement in this respect." It would seem, therefore, that laws must be devised and passed at the earliest possible moment to meet this situation or the world's supply of oil, which is not inexhaustible, will be unable to satisfy the constantly increasing demand for this important product.

## What of Brazil?

**T**HE revolutionary movement in Sao Paulo has no repercussion in other parts of the country," cables Sampaio Vidal, Minister of Finance of the United States of Brazil, to Dillon, Read & Co., New York. Singularly enough, the revolution broke out just after the report of the British Mission to Brazil had been made public. The report was accepted by the Bernardes Government and announcement was made that steps were to be taken immediately to put the recommendations of the mission into effect.

Interesting points are brought out in

the report, not the least important of which is that the visible trade balance, which averaged £11,000,000 in the period 1899-1903, increased to only £15,000,000 in the period 1919-23, whereas the foreign debt arose from £54,000,000 in the earlier period to £124,000,000 in the later, not including the coffee loan of 1922. It is thought, too, that the "invisible" charges against the Brazilian Government will reach approximately £30,000,000—twice the excess trade balance. The report states: "It is clear that an increase in exports, at a rate more rapid than that of imports is essential to the solvency of Brazil. We believe that the gap can be filled without difficulty if the resources of the country are energetically developed."

The real explanation for the South American disturbance seems to lie in the fact that Sao Paulo, Rio Grande do Sul and Santa Catarina are the rich States among the United States of Brazil. They bear a major part of the tax burden as it is, and they do not care to increase that burden by adopting the recommendations of the British Mission. Secession from the State of Brazil as at present constituted offers greater opportunity for expansion and progress, and this may be the motive power behind the revolutionary uprising.

## Latin America and the United States

**T**RADE of the United States with Latin America for the first eleven months of the recent fiscal year through May exceeded the billion-and-a-half mark and was greater than the corresponding period in 1923 by \$42,000,000. This should be good news for those who have invested in foreign securities in that part of the world, in cases where customs duties form a basis of security for the loans.

## Italy Denies Seeking Loan Here

**I**T is denied in both official and financial circles in Rome that Italy is seeking a foreign loan. It was thought that the rumor may have started in connection with some municipal or private industrial attempt to obtain money in our market.

## What Will Come of the London Conference?

**A**S the week ended, England and France appeared to be considerably at variance in the opinions expressed in the meetings of the London Conference of the Allied Premiers. England stands out for an American umpire and a bondholders' trustee, who would probably be an Englishman, and France could take no separate action without the joint recommendation of these two officials in the case of a default in payments by Germany. France believes that the conference must end unless England yields on this point. It is too soon yet to forecast what the result may be, but foreign investors in stocks and bonds of the countries involved in the conference will watch the progress made in London with keen interest.

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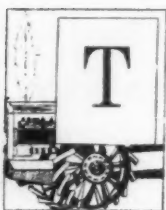








# World Wheat Shortage Ahead Holds Hope for Farmers



THE world will have at least 300,000,000 bushels less wheat to eat in the forthcoming twelve months than it consumed in the twelve preceding.

The burden of economizing in the consumption of bread and other wheat products will fall chiefly on Europe and the Orient. The United States produces more wheat than it needs.

But the higher prices which the shortage has already begun to produce will fall alike on consumers here and abroad, and the profits will go to the growers of grain in the exporting countries of the world, among them our Western farmers who had been hard hit by the extreme low prices of the last few years.

In the last few weeks they have seen the price of wheat mount to more than \$1.30 a bushel. It had fallen as low as 96 cents after the Government relinquished control. Talk of two-dollar wheat may be heard in some sections much as one-dollar wheat was once a general farming slogan.

Data are lacking on which to base an intelligent forecast of the probable limits of the present price rise. This much may, however, be said safely: the top price has not been reached and this limit will depend primarily on the outcome of the crop in the Southern Hemisphere which has just been planted. An average crop there cannot prevent a further rise in the price of wheat while failure which, in the past, has occurred about once in ten years, would go far toward causing a realization of our farmers' hopes.

The present situation is an outcome of reduced production practically all over the world coupled with a demand which the huge crops and low prices of last year made more extensive and insistent than had ever before been the case. More persons used more wheat last year than ever before, and the present necessity for curtailed consumption will become doubly difficult, therefore.

## Outlook for the 1924-25 Season

In fact, the crop years, July 1-June 30, of 1921-22 and 1922-23 as well as 1923-24 were characterized by large wheat crops, large exports, large stocks, and low prices for wheat. Importing countries had little concern over supplies and, as a result, exporting countries carried the surplus almost entirely and stocks in importing countries were allowed to run low. Low wheat prices stimulated consumption of wheat to such a degree that practically all of the large world crop of 1923 of the Northern Hemisphere and the usual percentage of the crop of the Southern Hemisphere has disappeared. The carry-over of wheat will show but a small increase. With these facts in mind we may look forward to the prospects for the coming crop year.

The season in Europe has been much less favorable for wheat than in 1923. A severe winter in the northern part of the continent causing winter killing was followed by drought in the Mediterranean Basin and in parts of Eastern Europe, reducing crop prospects appreciably below the favorable yields of 1923. In the weekly issue of Foreign Crops and Markets, the United States Department of Agriculture estimates a reduction in European wheat production over a year ago of 160 million bushels and

## Only Bumper Crops in the Southern Hemisphere Will Prevent a Substantial Increase in the Profits of United States Growers

By HILDING E. ANDERSON

a reduction in North Africa from drought of an additional 15 millions. A similar estimate for the rye crop indicates a reduction in the rye of 18 per cent. from last year (Russia not included).

The sharp reduction in the crop of the largest importing continent would seem to indicate that greater demands would be made upon the surplus countries than were made a year ago. The simultaneous shortage in the rye crop precludes the possibility of wholesale substitution of this cereal for wheat.

Little can be said of the crops in the

mate, if borne out at harvest, represents a reduction of 155,000,000 bushels from the bumper crop of last year.

The United States crop is now officially estimated at 740,000,000 bushels as of July 1, which represents a reduction of 45,000,000 bushels from a year ago. India apparently has a crop 8,000,000 bushels less. Reports from Russia are quite conflicting but there seems to be a general agreement that exports from this producer will be insignificant during the present season.

The following table indicates the crop

exports—the most reasonable assumption to make at this time when their crop has just been planted. A favorable or unfavorable season could alter these figures materially, with little likelihood, however, that the exports from the new crop would exceed those from the large crops of a year ago. The table shows clearly that the exports from the new crops will decline around 200 million bushels compared with a year ago. Further exports will have to come from the carryover of old wheat in these countries, which carryover is slightly larger than normal. Even allowing the carryover to be reduced 100 million bushels—a very large reduction and one which would leave a narrow margin of safety—the quantity of wheat exported would still be 100 million bushels short of the record exports of 1923-24. Importing countries will thus be forced to reduce their consumption of wheat by an amount equal to the reduction in their domestic crop, plus at least an additional 100 million bushels.

The Northern Hemisphere is assured of a substantial reduction in its wheat crop. The season in the Southern Hemisphere will determine how acute the shortage of wheat will be during the coming crop year.

## Where Our Safety Lies

The safety of the United States lies in the fact that it is self-sufficient where wheat is concerned. It now produces from 20 to 25 per cent. of the world's reported crop (exclusive of Russia), and consumes from 80 to 85 per cent. of the domestic crop, leaving around 15 per cent. for export.

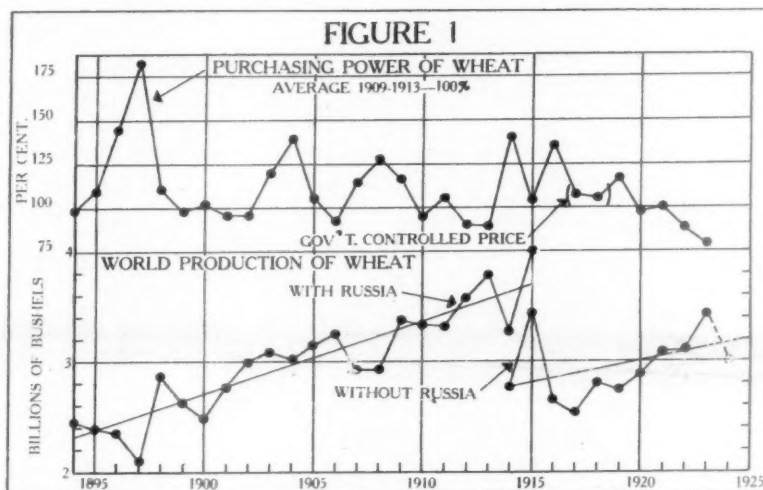
Figure 1 shows the world production of wheat from 1894 to 1923. (From 1894 to 1915 Russia is included, but not North Africa. For the period 1914 to 1923 North Africa is included, but not Russia). The data are from the Institute of Agriculture and the United States Department of Agriculture. Production increased at the rate of about 65,000,000 bushels per year before the war, as shown by line of growth, and at the rate of 40,000,000 since the war began.

Years of large crops in the last thirty years were 1898, 1906, 1913, 1915 and 1923. The effect of these crops on the purchasing power of wheat in the United States measured in terms of all farm products may be seen from the paragraph immediately above. The years of deficient crops were 1897, 1900, 1907, 1908, 1914, 1916, and 1917. In every year except 1900 and 1917 (Government controlled price) prices advanced sharply in American markets and the purchasing power of wheat rose with respect to other farm commodities.

World production has increased each year since 1919, and the year 1923 saw the world's largest wheat crop (exclusive of Russia). The purchasing power of wheat fell to the lowest level recorded in the thirty-year period. The production for 1924 promises a sharp reduction from the previous year, and the approximate extent is shown in the lower graph.

Western European countries constitute the principal market for the surplus wheat of the world. Previous to the war this market absorbed around 85 per cent. of the total world's exports. China, Japan and certain tropical countries also import wheat and flour, and in periods of low prices the import of these countries shows considerable expansion.

Figure 2 shows the total world import



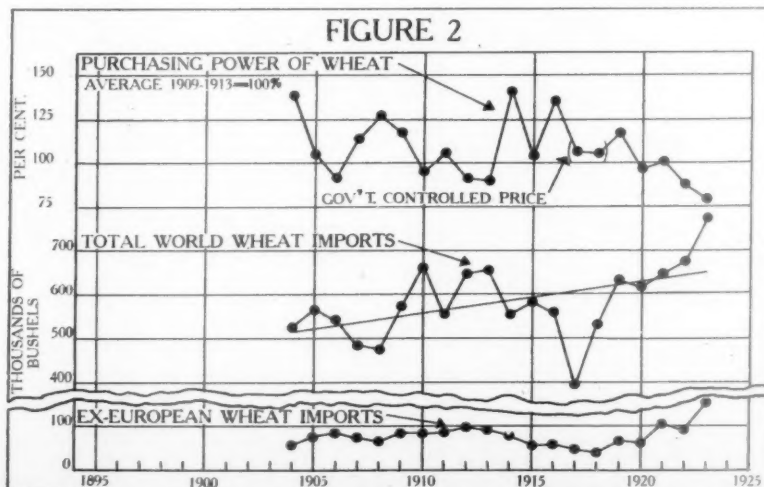
ex-European countries. If the price of wheat were to remain low this year, it is safe to assume the consumption in these countries would remain large. Under a higher price régime some considerable curtailment in demand from these countries must be anticipated. The conclusion must be stated that the requirements of the importing countries will be large, and might equal or exceed the large total of last year if only that amount of wheat were available in the exporting countries.

The wheat crop of the surplus countries in the Northern Hemisphere is distinctly poorer than in 1923. The greatest reduction no doubt will be seen in Canada. The recent official report shows prospects of only 319,000,000 bushels as of July 1, and private reports indicate further reductions since that date. The official esti-

and exports for the last crop year and the prospects for the crop and exports in the coming year in the principal exporting countries:

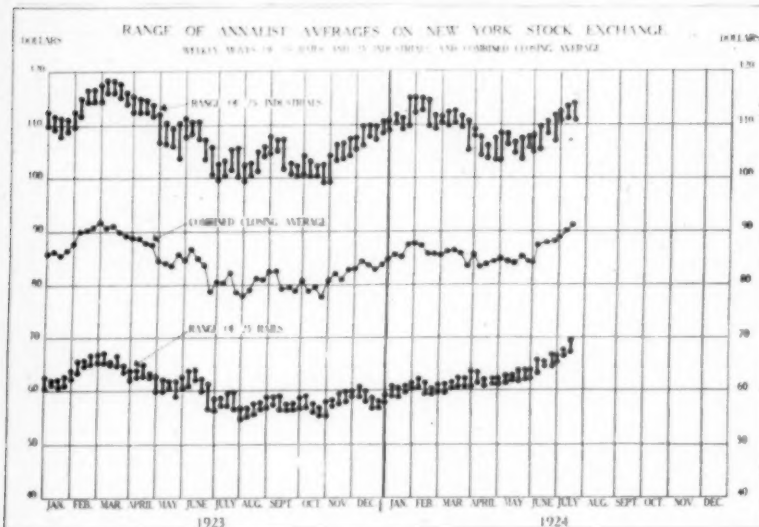
Crop, 1923-24, New	Est. (In millions of bushels)—		Export, 1923, Jy.1-Je.30, 1924.
	Net	Surplus	
Canada .....	475	335	319
United States .....	786	125	740
Argentina .....	249	175	215
Australia .....	125	75	120
India .....	369	25	361
Danube-Russia ..	45	45	45
	780	580	

The figures for Australia and Argentina represent about average yields and



Continued on Page 87

# The Week in the Security Market



## TWENTY-FIVE RAILROADS

	High.	Low.	Last.	Ch'ge.	Net Same Day		High.	Low.	Last.	Ch'ge.	Net Same Day
July 14...	67.81	67.07	67.57	+.35	58.07	July 17...	68.37	67.56	68.13	+.15	58.73
July 15...	68.13	67.43	67.66	+.09	58.37	July 18...	69.11	68.21	68.82	+.69	59.15
July 16...	68.37	67.63	67.98	+.32	58.29	July 19...	69.26	68.76	68.94	+.12	59.33

## TWENTY-FIVE INDUSTRIALS

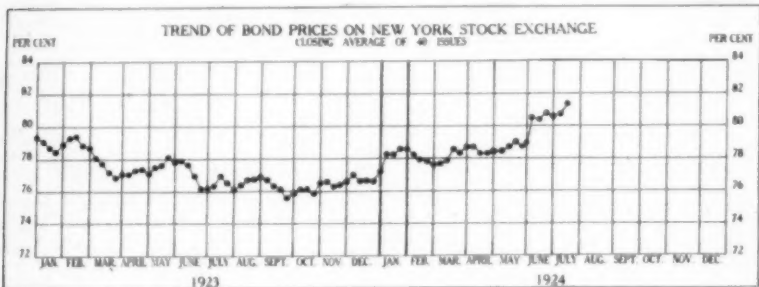
	High.	Low.	Last.	Ch'ge.	Net Same Day		High.	Low.	Last.	Ch'ge.	Net Same Day
July 14...	114.03	112.74	113.28	+.19	102.22	July 17...	112.66	111.24	112.22	+.02	104.60
July 15...	113.85	112.62	112.95	-.33	102.53	July 18...	113.44	112.08	112.93	+.71	104.93
July 16...	113.02	111.83	112.20	-.75	103.02	July 19...	113.50	112.82	113.29	+.36	105.02

## COMBINED AVERAGE—50 STOCKS

	High.	Low.	Last.	Ch'ge.	Net Same Day		High.	Low.	Last.	Ch'ge.	Net Same Day
July 14...	90.92	89.90	90.42	+.27	80.14	July 17...	90.51	89.40	90.17	+.08	81.66
July 15...	90.90	90.02	90.30	-.12	80.45	July 18...	91.27	90.14	90.87	+.70	82.04
July 16...	90.89	89.65	90.09	-.21	80.65	July 19...	91.38	90.70	91.11	+.21	82.17

## YEARLY HIGHS AND LOWS

	High.	Low.		High.	Low.
*1924.....	91.38 July	82.26 Apr.	1918.....	80.16 Nov.	64.12 Jan.
1923.....	92.52 Mar.	77.15 Oct.	1917.....	96.46 Jan.	57.47 Dec.
1922.....	93.06 Oct.	66.21 Jan.	1916.....	101.51 Nov.	80.91 Apr.
1921.....	73.13 May	58.35 June	1915.....	94.13 Oct.	58.90 Feb.
1920.....	94.07 Apr.	62.70 Dec.	1914.....	73.30 Jan.	54.47 Dec.
1919.....	99.59 Nov.	69.73 Jan.	1913.....	79.25 Jan.	68.00 June



## AVERAGE 40 BONDS

	Close.	Net Ch'ge.		Close.	Net Ch'ge.
July 14.....	80.68	-.08	July 17.....	81.05	+.05
July 15.....	80.78	+.10	July 18.....	81.20	+.15
July 16.....	81.00	+.22	July 19.....	81.41	+.21

## YEARLY HIGHS AND LOWS

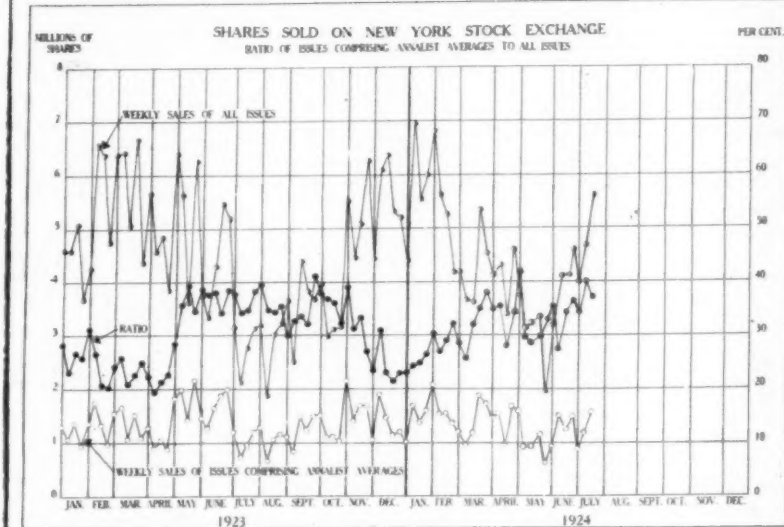
	High.	Low.		High.	Low.
*1924.....	81.41 July	76.95 Jan.	1918.....	82.36 Nov.	75.05 Sep.
1923.....	79.43 Jan.	75.58 Sep.	1917.....	89.47 Jan.	74.24 Dec.
1922.....	82.54 Aug.	75.01 Jan.	1916.....	89.18 Nov.	86.19 Apr.
1921.....	76.31 Nov.	67.56 June	1915.....	87.62 Nov.	81.52 Jan.
1920.....	73.14 Oct.	65.57 May	1914.....	89.42 Feb.	81.42 Dec.
1919.....	79.05 June	71.05 Dec.	1913.....	92.81 Jan.	85.45 Dec.

## In the Stock Market

THE stock market broadened measurably last week and "million-share" days became the rule rather than the exception. The total gain for the averages now is in excess of eight points from the year's lowest prices, practically all of which gains have been amassed in the last month and a half. The principal factors back of the market at the moment are, first, the possibility of normal business this Fall, with operating ratios in the important basic industries showing very considerable increases from their present rate; second, the tremendous advance in the grain crops, which has taken place since June 1, and which has changed the industrial situation squarely about from a year of

leanness to one of comparative prosperity; third, the easy money situation, the easiest, in fact, in five years, which has had the effect of driving surplus capital into good securities; fourth, the possibility that full agreement will be reached at the international conference in London on the problem of reparations, and that a German loan will be internationally offered in early Autumn.

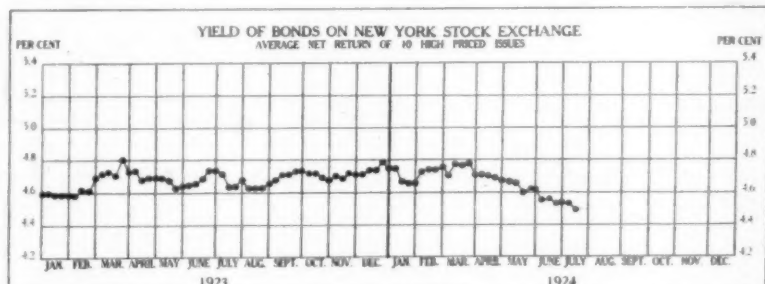
There is not a great deal of evidence that the general public is taking an interest in the market. Outside participation continues on an extremely small scale. Most of the activity from day to day is of two sorts: First, institutional buying, which includes that of insurance and trust companies; second, professional buying of a speculative or manipulative sort.



## SHARES SOLD ON NEW YORK STOCK EXCHANGE

Week Ended July 19, 1924.

	1924.	1923.	1922.
Monday.....	935,714	282,090	480,410
Tuesday.....	1,000,215	343,254	651,950
Wednesday.....	1,003,270	401,430	797,768
Thursday.....	1,069,478	672,960	677,955
Friday.....	1,122,900	745,380	688,808
Saturday.....	467,200	292,180	279,500
Total week.....	5,638,843	2,737,234	3,576,391
Year to date.....	128,133,157	139,541,249	147,406,819



	Last Week.	Same Week Last Year.	Year to Date.	Same Period Last Year.
Average net yield of ten high-priced bonds.....	4.488%	4.635%	4.600%	4.607%
New security issues.....	\$19,737,000	\$10,673,000	\$2,330,340,647	\$1,866,614,356

## PAR VALUE SOLD ON NEW YORK STOCK EXCHANGE

Week Ended July 19, 1924.

	1924.	1923.	1922.
Monday.....	\$11,737,150	\$5,834,250	\$11,334,200
Tuesday.....	15,388,000	7,474,100	12,652,100
Wednesday.....	17,253,450	7,213,450	15,980,550
Thursday.....	15,628,200	7,322,100	14,196,900
Friday.....	14,637,250	6,641,200	15,251,600
Saturday.....	6,630,700	2,891,000	6,757,350
Total week.....	\$81,274,750	\$37,376,100	\$76,172,700
Year to date.....	2,024,970,800	1,697,099,100	2,559,912,965

In detail the bond dealings compare as follows with the corresponding week last year:

	July 19, '24.	July 21, '23.	Changes.
Corporations.....	\$59,669,000	\$21,006,800	+\$38,662,200
United States Government.....	10,143,750	9,986,300	+157,450
Foreign.....	11,451,000	5,734,000	+5,717,000
State.....	2,000	7,000	-5,000
City.....	9,000	40,000	-31,000
Total all.....	\$81,274,750	\$37,376,100	+\$43,898,650

## FOREIGN GOVERNMENT SECURITIES

	Last Week.	Previous Week.	Year to Date.	Same Week 1923.
British cons. 2½%.....	57½@56½	56½@56½	57½@54½	59 @ 58½
British 5%.....	101½@101½	101½@101½	100½@98½	100½@100½
British 4½%.....	97	97½@97½	96½@96	97 @ 96½
French rentes (in Paris).....	53.50@53.15	53.20@52.75	58.70@51.75	56.95@56.37
French W. L. (in Paris).....	67.90	67.90@67.35	71.45@68.15	75.50@74.70

Railroad shares and public utility issues continue to be the features of the market. There is not a great deal in the news from day to day to encourage fresh buying in these issues. In the railroad industry, earnings generally are from 8 to 10 cents below last year. Mergers and rumors of mergers, however, continue to fire the market's imagination and this applies to the railroad shares as well as the public utilities. Industrial issues, while showing a greater degree of irregularity, continue to maintain a firm undertone.

The Wall Street explanation for the movement in leading stocks on the New York Stock Exchange last week was as follows:

Allied Dye and Chemical—Strength was due to reports that the corporation

will purchase the Mathieson Alkali Company.

American Can—Reports that the company will pay an extra dividend this Fall not generally credited, despite the strength and activity of the stock.

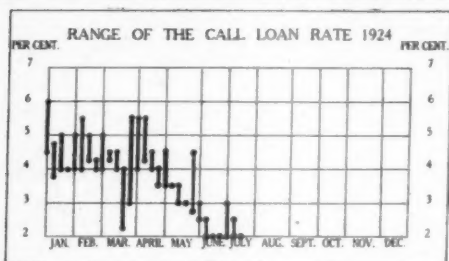
Bethlehem Steel—Irrregular and lower on reports that there may be some change in the dividend rate at the forthcoming meeting.

Cosden & Co.—Stock irregular during a change of management in which Jacob France became President and Chairman of the company in place of J. S. Cosden. Complete change of control indicated.

Chesapeake & Ohio—Advanced vigorously on reports that the Van Sweringen interests of Cleveland are about to put

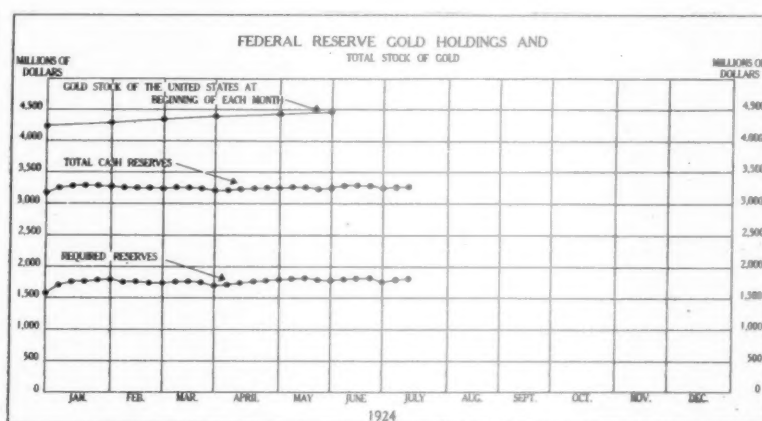
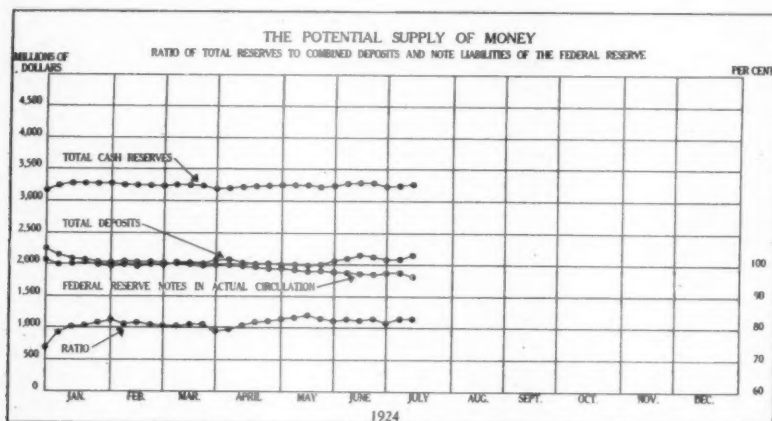
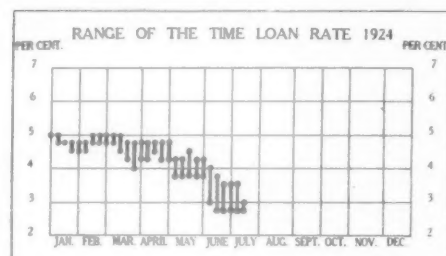
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## The Week in the Money Market



## Call Loan, Time Loan and Commercial Paper Rates

	Call Loans	Time Loans	Com. Dis.
		60-90 Days	4-6 Mos.
Last week.....	2	3 1/2 @ 3 1/4	4 1/2 @ 3 1/4
Previous week.....	2 1/2 @ 2	3 1/2 @ 3 1/4	4 1/2 @ 3 1/4
Year to date.....	5 1/2 @ 2	5 1/2 @ 3 1/4	5 1/2 @ 3 1/4
Same week, 1923.....	5 1/2 @ 4 1/2	5 1/2 @ 5	5 1/2 @ 5
Same week, 1922.....	5 @ 3	4 1/2 @ 4	4 1/2 @ 4



## Actual Condition

## Statement of the Federal Reserve Banks

July 16

COMPARATIVE STATEMENT OF CONDITIONS AT CLOSE OF BUSINESS JULY 16.

	Dist. 1. Boston	Dist. 2. New York	Dist. 3. Philadelphia	Dist. 4. Cleveland	Dist. 5. Richmond	Dist. 6. Atlanta	Dist. 7. Chicago	Dist. 8. St. Louis	Dist. 9. Minneapolis	Dist. 10. Kansas City	Dist. 11. Dallas	Dist. 12. San Francisco
Gold reserve.....	\$292,500,000	\$983,418,000	\$264,782,000	\$317,435,000	\$87,408,000	\$149,162,000	\$437,057,000	\$101,714,000	\$74,064,000	\$81,776,000	\$41,022,000	\$209,612,000
Redisc. on Govt. war paper.....	10,504,000	40,601,000	26,091,000	20,619,000	45,673,000	29,632,000	40,940,000	19,164,000	14,468,000	16,294,000	18,759,000	22,408,000
Total bills on hand.....	34,597,000	149,990,000	29,674,000	40,941,000	5,125,000	425,000	65,370,000	10,319,000	25,151,000	28,409,000	22,838,000	47,732,000
Due members res.acct.....	139,808,000	849,652,000	123,072,000	166,088,000	61,394,000	55,040,000	302,408,000	70,741,000	44,552,000	74,096,000	48,034,000	150,318,000
F. R. Notes in cir'n.....	197,858,000	334,962,000	179,853,000	209,490,000	70,759,000	136,211,000	245,373,000	60,430,000	67,487,000	64,202,000	40,239,000	205,848,000
Ratio, &c.....	89.4%	84.2%	87.4%	85.5%	88.5%	83.4%	84.2%	84.0%	66.7%	67.9%	53.3%	83.2%

## Statement of Member Banks

Data for Federal Reserve Cities and in Federal Reserve Branch Cities.

	New York July 9. 67	New York July 2. 67	Chicago July 9. 48	Chicago July 2. 48
Number of reporting banks.....	67	67	48	48
Loans and discounts, gross:				
Secured by U. S. Govt. obligations.....	\$87,518,000	\$86,266,000	\$27,823,000	\$25,074,000
Secured by stocks and bonds.....	1,644,943,000	1,683,391,000	450,843,000	446,144,000
All other loans and discounts.....	2,234,805,000	2,194,368,000	687,984,000	684,985,000
Total loans and discounts.....	\$3,967,266,000	\$3,964,015,000	\$1,170,650,000	\$1,156,213,000
United States pre-war bonds.....	40,135,000	40,025,000	4,136,000	4,136,000
United States Liberty bonds.....	514,076,000	523,302,000	64,280,000	67,773,000
United States Treasury bonds.....	14,926,000	15,777,000	3,747,000	4,006,000
United States Treasury notes.....	298,882,000	304,466,000	80,596,000	101,516,000
United States cts. of indebtedness.....	54,867,000	55,765,000	6,390,000	6,664,000
Other bonds, stocks and securities.....	753,798,000	752,333,000	172,633,000	176,080,000
Total loans, discounts, investments.....	\$5,644,010,000	\$5,655,683,000	\$1,502,432,000	\$1,516,388,000
Reserve balances with F. R. Bank.....	676,429,000	646,352,000	151,688,000	162,928,000
Cash in vault.....	69,069,000	71,117,000	30,977,000	29,080,000
Net demand deposits.....	4,890,907,000	4,855,415,000	1,083,421,000	1,113,000,000
Time deposits.....	667,139,000	661,934,000	390,582,000	391,606,000
Government deposits.....	18,686,000	23,614,000	7,090,000	8,082,000
Bills payable:				
Secured by U. S. Govt. obligations.....	4,009,000	35,534,000	350,000	340,000
All other.....	2,686,000	2,129,000	1,540,000	1,439,000
All F. R. Cities.....	255	255	196	196
Number of reporting banks.....	255	255	196	196
Loans and discounts, gross:				
Secured by U. S. Govt. obligations.....	\$152,977,000	\$153,149,000	\$31,825,000	\$33,575,000
Secured by stocks and bonds.....	2,960,116,000	2,963,772,000	623,313,000	621,425,000
All other loans and discounts.....	4,828,703,000	4,864,670,000	1,588,197,000	1,597,260,000
Total loans and discounts.....	\$8,941,796,000	\$7,981,591,000	\$2,253,335,000	\$2,252,260,000
United States pre-war bonds.....	92,704,000	92,221,000	75,659,000	75,663,000
United States Liberty bonds.....	776,307,000	790,161,000	294,681,000	276,285,000
United States Treasury bonds.....	35,218,000	36,125,000	17,308,000	16,900,000
United States Treasury notes.....	464,804,000	492,627,000	110,734,000	111,824,000
United States cts. of indebtedness.....	98,243,000	101,847,000	19,286,000	20,300,000
Other bonds, stocks and securities.....	1,428,809,000	1,440,148,000	625,122,000	624,387,000
Total loans, discounts, investments.....	\$10,937,881,000	\$10,934,720,000	\$3,386,125,000	\$3,377,599,000
Reserve balances with F. R. Bank.....	1,120,223,000	1,096,505,000	246,961,000	250,503,000
Cash in vault.....	149,675,000	150,658,000	64,117,000	61,677,000
Net demand deposits.....	8,419,137,000	8,398,856,000	1,952,261,000	1,943,277,000
Time deposits.....	2,160,231,000	2,155,443,000	1,333,089,000	1,320,985,000
Government deposits.....	78,031,000	87,847,000	27,019,000	31,261,000
Bills payable:				
Secured by U. S. Govt. obligations.....	10,572,000	43,892,000	5,805,000	14,951,000
All other.....	15,727,000	21,953,000	10,838,000	12,066,000
All F. R. Cities.....	297	297	297	297
Number of reporting banks.....	297	297	297	297
Loans and discounts, gross:				
Secured by United States Government obligations.....	\$29,197,000	\$29,212,000	\$29,197,000	\$29,212,000
Secured by stocks and bonds.....	523,050,000	527,684,000	523,050,000	527,684,000
All other loans and discounts.....	1,350,241,000	1,350,459,000	1,350,241,000	1,350,459,000
Total loans and discounts.....	\$1,902,488,000	\$1,907,355,000	\$1,902,488,000	\$1,907,355,000
United States pre-war bonds.....	103,383,000	103,519,000	103,383,000	103,519,000
United States Liberty bonds.....	175,526,000	175,600,000	175,526,000	175,600,000
United States Treasury bonds.....	16,651,000	17,030,000	16,651,000	17,030,000
United States Treasury notes.....	55,297,000	56,548,000	55,297,000	56,548,000
United States certificates of indebtedness.....	8,934,000	8,901,000	8,934,000	8,901,000
Other bonds, stocks and securities.....	468,706,000	468,187,000	468,706,000	468,187,000
Total loans, discounts, investments.....	\$2,731,085,000	\$2,744,140,000	\$2,731,085,000	\$2,744,140,000
Reserve balances with Federal Reserve Bank.....	171,182,000	173,863,000	171,182,000	173,863,000
Cash in vault.....	94,782,000	79,606,000	94,782,000	79,606,000
Net demand deposits.....	1,649,956,000	1,664,197,000	1,649,956,000	1,664,197,000
Time deposits.....	943,823,000	941,949,000	943,823,000	941,949,000
Government deposits.....	11,932,000	10,307,000	11,932,000	10,307,000
Bills payable:				
Secured by United States Government obligations.....	11,916,000	11,635,000	11,916,000	11,635,000
All other.....	28,818,000	28,567,000	28,818,000	28,567,000

## Statement of the Federal Reserve Banks

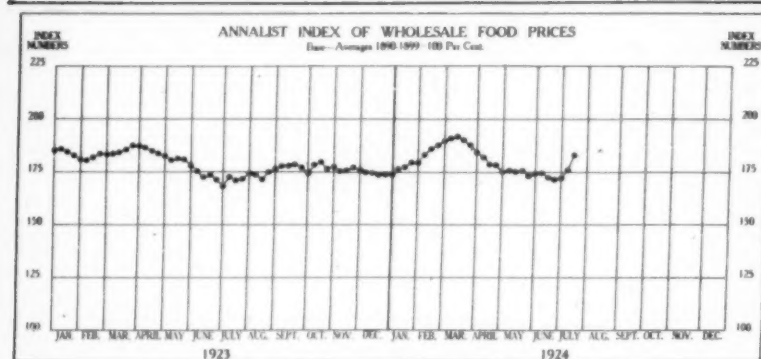
Consolidated resources and liabilities of the twelve Federal Reserve Banks compare as follows:

	July 16, 1924.	July 9, 1924.	July 18, 1923.
RESOURCES—			
Gold with Federal Reserve agents.....	\$2,111,173,000	\$2,099,835,000	\$2,062,131,000
Gold redemption fund with United States Treasury.....	37,657,000	37,433,000	32,001,000
Gold held exclusively against Federal Reserve notes.....	\$2,148,830,000	\$2,137,268,000	\$2,104,132,000
Gold settlement fund with Federal Reserve Board.....	574,333,000	595,604,000	653,784,000
Gold and gold certificates held by banks.....	437,381,000	410,530,000	341,804,000
Total gold reserves.....	\$3,160,550,000	\$3,143,402,000	\$3,099,720,000
Reserves other than gold.....	105,864,000	101,904,000	83,702,000
Total reserves.....	\$3,266,414,000	\$3,245,306,000	\$3,183,422,000
Non-reserve cash.....	57,312,000	54,574,000	81,261,000
Bills discounted:			
Secured by United States Government obligations.....	97,235,000	94,607,000	408,359,000
Other bills discounted.....	208,008,000	216,106,000	397,470,000
Total bills discounted.....	\$305,243,000	\$310,713,000	\$805,829,000
Bills bought in open market.....	37,323,000	58,509,000	183,121,000
United States Government securities:			
Bonds.....	20,752,000	20,802,000	25,016,000
Treasury notes.....	344,857,000	330,051,000	66,999,000
Certificates of indebtedness.....	100,905,000	99,587,000	5,940,000
Total United States Government securities.....	\$466,574,000	\$450,500,000	\$97,955,000
All other earning assets.....	1,250,000	1,250,000	10,000
Total earning assets.....	\$810,485,000	\$820,972,000	\$1,086,915,000
Five per cent. redemption fund—F. R. Bank notes.....	57,312,000	54,574,000	193,000
Uncollected items.....	655,000,000	604,433,000	674,836,000
Bank premises.....	37,932,000	57,907,000	33,203,000
Surplus.....	27,023,000	26,412,000	13,031,000
All other resources.....	\$4,874,275,000	\$4,809,604,000	\$5,092,961,000
LIABILITIES—			
Federal Reserve notes in actual circulation.....	\$1,812,712,000	\$1,855,005,000	\$2,216,994,000
Federal Reserve Bank notes in circulation—net.....	57,312,000	54,574,000	1,296,000
Deposits:			
Member bank—reserve account.....	2,083,203,000	2,036,852,000	1,883,644,000
Government.....	34,514,000	19,151,000	34,432,000
Other deposits.....	24,288,000	22,907,000	24,445,000
Total deposits.....	\$2,144,005,000	\$2,078,910,000	\$1,942,521,000
Deferred availability items.....	573,337,000	531,328,000	586,567,000
Capital paid in.....	111,405,000	111,400,000	109,714,000
Surplus.....	220,915,000	220,915,000	218,300,000
All other liabilities.....	11,901,000	12,946,000	17,500,000
Total liabilities.....	\$4,874,275,000	\$4,809,604,000	\$5,092,961,000
Ratio of total reserves to deposit and Federal Reserve note liabilities combined.....	82.0%	82.5%	76.5%
Contingent liability on bills purchased for foreign correspondents.....	\$38,358,000	\$38,587,000	\$35,845,000

## BAR GOLD AND SILVER

	Bar Gold in London	Bar Silver in N. Y.
Last week.....	94s 07d @ 94s 03d	67 1/2 @ 67 c
Previous week.....	93s 03d @ 94s 11d	67 c @ 67 c
Year to date.....	94s 04d @ 93s 10d	67 1/2 @ 67 c
Same week, 1923.....	93s 10d @ 89s 05d	63 1/2 @ 62 1/2 c
Same week, 1922.....	92s 09d @ 82s 05d	70 c @ 69 c

# The Week in the Commodity Market



WEEKLY AVERAGES

July 19, 1924.....	183.207	July 21, 1923.....	170.954
July 12, 1924.....	176.268	July 22, 1922.....	196.073

Year to date—179.795

Yearly Averages

1923.....	178.000	1918.....	287.080
1922.....	186.290	1917.....	261.796
1921.....	174.308	1916.....	175.720
1920.....	282.737	1915.....	139.280
1919.....	205.607	1914.....	80.096

## ITEMS COMPOSING THE INDEX

	Last Week.	Previous Week.	Range for 1924.	Same Week—1923.	Same Week—1922.
Hogs, medium to heavy.....	\$7.4375	\$7.1375	\$7.55	\$6.375	\$7.125
Steers, good to choice.....	9.575	9.60	10.90	9.675	9.825
Beef, salt, per 200 pounds.....	16.50	16.50	16.50	15.50	16.75
Pork, salt, per 200 pounds.....	26.125	25.75	27.00	24.50	25.50
Flour, Spring patents.....	8.75	8.45	8.45	7.225	7.425
Flour, Winter straights.....	6.625	6.30	6.625	5.80	6.30
Lard, Middle West, pound.....	12.70	11.80	12.75	10.825	11.40
Bacon, clear sides, pound.....	12.125	12.125	12.125	11.125	11.625
Oats, No. 2 and No. 3.....	.58	.5400	.585625	.34725	.4156375
Potatoes, white, per bushel.....	1.005	.7800	1.02	.69	.3.675
Beef, fresh, per pound.....	14.25	14.00	15.75	10.900	14.50
Mutton, dressed, per pound.....	.14	.1300	.1000	.0950	1.150
Sheep, wethers, 100 pounds.....	7.375	7.375	12.25	6.875	7.375
Codfish, Georgea, per pound.....	.0675	.0600	.0625	.0625	.0675
Sugar, per pound.....	.0925	.0925	.0935	.0925	.0925
Rye flour, Georgea, per pound.....	5.175	4.975	5.175	4.125	5.375
Corn meal, per 100 pounds.....	3.025	2.85	3.025	2.175	2.225
Rice, extra fancy, per pound.....	.0775	.0775	.0775	.0775	.0775
Beans, medium, per bushel.....	3.21	3.21	3.525	3.1000	4.65
Apples, extra, per pound.....	1.175	1.175	1.625	1.175	1.875
Prunes, 60-70s, per pound.....	.06	.06	.0750	.05	.0825
Butter, creamery, pound.....	.41	.4125	.5475	.3700	.38625
Butter, dairy, pound.....	.3825	.3825	.5375	.36025	.3500
Cheese, State, whole milk, pound.....	.2350	.2350	.2475	.2325	.2150
Coffee, Rio, No. 7.....	.163125	.1575	.163125	.1075	.1100

## IRON AND STEEL FIGURES

	June, 1924.	May, 1924.	June, 1923.		June, 1924.	May, 1924.	June, 1923.
Unfilled Steel Orders, Tons.....	3,262,505	3,628,080	6,386,261	Pig Iron Production, Daily, Tons.....	67,541	84,356	122,280

## The Week in the Exchange Market

## FOREIGN AND DOMESTIC EXCHANGE RATES

New York funds in Montreal were quoted at \$7.81@46.25 premium. Montreal funds in New York were quoted at \$6.21@47.75 discount. The week's range of exchange on the principal foreign centres last week compared as follows:

	Normal Exchange.	Last Week.	High.	Low.	Year 1924.	Same Wk. 1923.	Last Week.	High.	Low.	Year 1924.	Same Wk. 1923.
19.28—London.....	4.8665	4.3894	4.3512	4.40	4.20%	4.60%	4.3894	4.36%	4.40%	4.40%	4.60%
19.28—Paris.....	5.0094	5.2894	5.0094	6.85	3.42	5.95%	5.07%	6.85%	3.42%	5.95%	5.07%
19.28—Belgium.....	4.60	4.54%	4.54%	4.48	3.49	4.82%	4.55	4.48	3.49	4.82%	4.55
19.28—Switzerland.....	18.42%	18.42%	18.42%	17.70	17.40	18.44%	18.19	17.70	17.40	18.44%	18.19
19.28—Italy.....	37.76	37.76	37.76	38.04	36.69	39.25	39.14	38.08	37.80	39.25	39.14
19.30—Holland.....	1.77	1.73	2.30	2.30	1.55	2.50	1.80	1.76	2.33	1.56	2.91
19.30—Spain.....	13.37	13.23	14.18	12.12	14.36	14.26	13.30	13.25	14.20	14.38	14.28
26.28—Denmark.....	16.20	16.10	17.70	15.27	17.50	17.45	16.22	16.12	17.72	17.53	17.48
26.80—Sweden.....	26.62	26.58	26.63	25.82	26.57	26.50	26.64	26.60	26.66	26.65	26.60
26.80—Norway.....	13.50	13.40	14.45	13.12	16.25	16.17	13.52	13.42	14.47	13.15	16.20
51.41—Russia.....	.06%	.06%	.06%	.06%	.06%	.06%	.06%	.06%	.06%	.06%	.06%
45.66—Bombay.....	31.38	31.13	31.00	29.50	31.38	30.68	31.50	31.25	31.50	29.62	30.93
78.00—Hongkong.....	52.75	52.38	52.88	49.88	52.25	52.00	52.88	52.50	53.00	52.375	52.125
108.82—Shanghai.....	72.50	72.00	73.38	69.38	70.25	69.88	72.62	72.12	73.50	70.37	70.00
49.83—Kobe.....	41.50	41.00	46.13	39.08	48.70	48.68	41.62	41.12	46.25	39.20	48.80
49.83—Yokohama.....	41.50	41.00	46.13	39.08	48.70	48.68	41.62	41.12	46.25	39.20	48.80
50.00—Manila.....	49.25	49.25	50.25	49.25	49.25	49.25	49.50	49.50	50.50	49.50	49.50
42.44—Buenos Aires.....	32.75	32.43	34.50	31.75	34.30	33.70	32.87	32.55	34.62	31.85	34.40
33.35—Rio.....	10.00	9.50	12.15	9.50	10.40	10.40	10.06	9.50	12.20	9.55	10.45
23.83—Germany.....	4.166	4.166	4.166	5.000	.0004%	.000252	4.166	4.166	5.000	.0004%	.000252
20.46—Austria.....	.0014%	.0014%	.0014%	.0014%	.0014%	.0014%	.0014%	.0014%	.0014%	.0014%	.0014%
19.30—Poland.....	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3
19.30—Czechoslovakia.....	2.97	2.95%	3.01	2.88	3.00%	2.96%	2.97	2.96%	3.01	2.88	3.00%
19.30—Yugoslavia.....	1.19%	1.19%	1.34	1.07	1.06	1.06	1.19%	1.19%	1.34	1.07	1.06
19.30—Finland.....	2.51%	2.53%	2.53%	2.47%	2.77	2.77	2.51%	2.53%	2.47%	2.77	2.77
19.30—Rumania.....	.45%	.45%	.50%	.40%	.52%	.52%	.45%	.45%	.50%	.40%	.52%
20.31—Hungary.....	.0012%	.0012%	.0062	.0010	.0118	.0003	.0012%	.0012%	.0062	.0010	.0003

\*The figures given under "demand" are offered and bid prices for 500-ruble notes, while those under "cables" are the 100-ruble notes.

†Value of \$1 in millions of marks.

‡Quotation represents value of old Polish mark last year. Conversion of old mark has been made into zloty, with a ratio of 1,800,000 marks to 1 zloty.

## In the Stock Market

Continued from Page 78

together a merger of the Erie and Pere Marquette with the C. & O.

Chicago, Rock Island & Pacific—Advanced to a new high for the year on reports that it will be taken into a new railroad system.

Davison Chemical—Activity and strength attributed to pool operations based on satisfactory reports of company's new silicagel process.

Famous Players—Strength derived

from announcement that D. W. Griffith had joined the company's forces.

Fleischmann & Co.—Strength due to reports that dividend will be increased this Fall.

General Petroleum—Advanced to a new high record for the year on reports of excellent earnings statements.

Interborough Rapid Transit—Gained robustly on increased earnings and was the leader of the New York traction group.

Kennecott Copper—Led the copper group in a brisk upward movement at

the end of the week on reports of reduction in the copper above ground and indications of increased foreign demand.

Mack Truck—Reports that the company had earned more than \$10 a share in the first half of the year lent assistance to the pool operating in this stock.

New York Central—New high record for the year touched by the common and preferred stocks on continued reports that the dividend will be increased to 8 per cent.

Phillips-Jones—Strong upswing on news that the corporation had won its

suit against other collar manufacturers, who were charged with patent infringements.

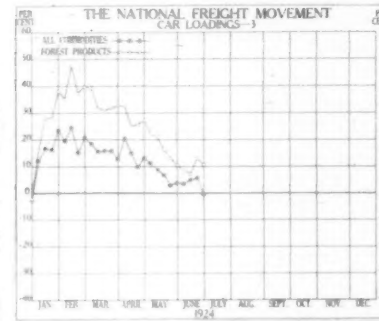
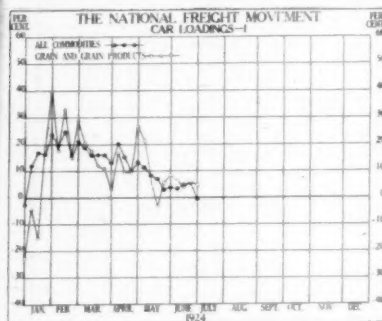
Public Service Corporation of New Jersey—Consistently strong during the week on the possibility of an increased dividend this Fall.

Sinclair Consolidated—Weak and lower on passing of the company's dividend of 50 cents, due at this time.

Stewart-Warner—New low for the year on reports that there may be some readjustment in the company's rate of dividend payments.

## Other Facts of Business Import

## Transportation



The "normal" line in the accompanying charts, marked with the zero (0), represents the average of the carloadings for corresponding weeks in each of the four years 1919-1922, both inclusive. The curves present the loadings of each week as percentage departures from this normal.

The method of calculating corrects the curves for seasonal variation.

Revenue Car Loadings:	Period or Date.	1924.	Normal.	Per Cent. Departure from
All commodities.....	Week ended July 5	759,942	763,928	-0.5
Grain and grain products.....	Week ended July 5	34,778	33,249	+4.6
Coal and coke.....	Week ended July 5	118,155	153,183	-22.9
Forest products.....	Week ended July 5	50,904	46,081	+10.6
Manufactured products.....	Week ended July 5	482,382	450,449	+7.1
All commodities.....	Year to July 5	23,946,649	21,412,516	+11.8
Grain and grain products.....	Year to July 5	1,114,313	1,008,138	+10.7
Coal and coke.....	Year to July 5	4,513,529	4,529,531	-0.4
Forest products.....	Year to July 5	1,971,509	1,576,536	+25.1
Manufactured products.....	Year to July 5	14,757,002	12,834,839	+15.0
Freight car surplus.....	First quarter July	359,191	172,758	+107.9
Per cent. of freight cars serviceable.....	July 1	91.5	80.3	+2.5
Per cent. locomotives serviceable.....	July 1	82.9	78.6	+5.5
Gross revenues.....	May	\$477,437,611	\$463,014,062	+3.1
Expenses and taxes.....	May	416,783,733	440,952,093	-7.4
Rate of return on property investment:				
Eastern District.....	Year to June 1	4.88	5.75	-15.1
Southern District.....	Year to June 1	5.42	5.75	-5.7
Western District.....	Year to June 1	3.18	5.75	-44.7
United States as a whole.....	Year to June 1	4.27	5.75	-25.7

## RAILROAD EARNINGS

	1924.	1923.	Net Change.	P. C.
First week of July, 15 roads.....	\$10,255,111	\$17,937,840	-\$1,682,729	-9.38
Fourth week of June, 14 roads.....	21,787,983	23,767,167	-1,979,184	-8.31
Third week of June, 16 roads.....	17,283,403	18,595,821	-1,312,418	-7.05
Second week of June, 16 roads.....	17,225,913	18,728,480	-1,502,567	-8.02
Month of May, 179 roads.....	477,437,611	548,112,916	-70,675,305	-12.89
From Jan. 1, 179 roads.....	325,454,890	358,574,467	-33,119,577	-9.23

## SUMMARY OF IDLE CARS AND CAR LOADINGS

## AMERICAN RAILWAY ASSOCIATION.

	June 14.	June 7.	May 31.	May 22.	May 14.	May 7.
Idle cars.....	388,144	391,906	369,125	360,611	342,369	348,042
Car loadings.....	759,942	908,353	903,700	902,710	910,707	819,904

## FOREIGN BANK STATEMENTS

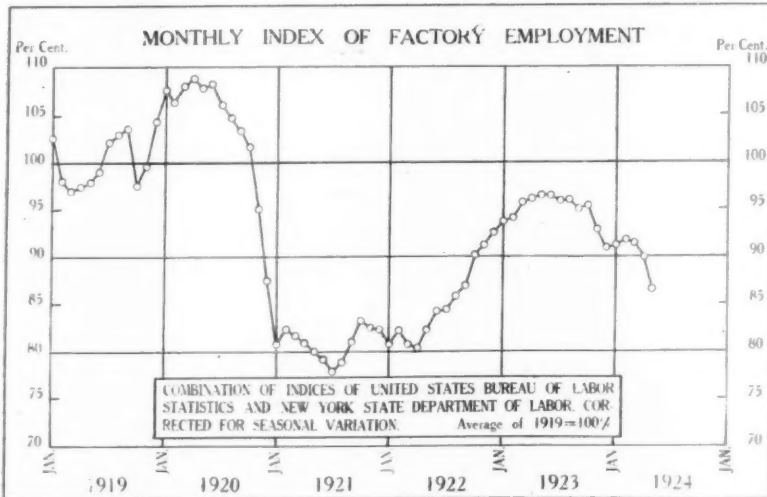
## BANK OF ENGLAND.

The following changes were noted in the weekly statement of the Bank of England and the Bank of France:

Gold coin and bullion.....	Increased	£1,794
Res. in banking dept. gold and notes.....	Increased	1,069,000
Notes and circulation.....	Decreased	1,067,000
Loans on Govt. secur.....	Decreased	2,870,000
Loans on other securities.....	Increased	230,000
Notes in reserve.....	Increased	1,071,000
Public deposits.....	Increased	1,811,000
Other deposits.....	Decreased	3,428,000
Ratio of reserve.....	18.30	17.63

## BANK OF FRANCE.

Gold in hand.....	Increased	80,000
Silver in hand.....	Increased	118,000
Notes in circulation.....	Decreased	69,117,000
Treasury deposits.....	Decreased	953,000
General deposits.....	Decreased	18,490,000
Bills discounted.....	Decreased	148,707,000
Advances.....	Decreased	63,093,000



The Annalist's Employment Curve, above, shows the deviation from normal of the actual volume of employment throughout the country at the end of each month. The curve is constructed in accordance with methods and principles devised by Professor William A. Berridge of Brown University and has been revised to conform to the employment relations of different industries reported in the 1919 census.

## FAILURES (DUN'S)

	Week Ended July 17, '24.	Week Ended July 19, '23.	June 20, '22.
East.....	153	96	63
South.....	99	50	73
West.....	92	52	76
Pacific.....	44	16	42
United States.....	388	217	287
Canada.....	37	21	53
	July 20, '22.	July 21, '21.	July 23, '20.
East.....	103	132	77
South.....	62	105	50
West.....	59	83	45
Pacific.....	22	51	29
United States.....	246	371	201
Canada.....	28	41	18

## ALIEN MIGRATION

	March, 1924.	Feb., 1924.	Jan., 1924.	Dec., 1923.
Inbound.....	35,590	29,900	23,890	55,794
Outbound.....	4,200	3,710	5,720	6,480
Gain or loss.....	+31,390	+26,190	+18,160	+49,314
	Nov., 1923.	Oct., 1923.	Sept., 1923.	Aug., 1923.
Inbound.....	92,782	88,028	80,431	88,286
Outbound.....	6,026	7,291	6,073	6,489
Gain or loss.....	+86,757	+80,737	+74,358	+81,797

## BUILDING PERMITS

	June, 1924.	May, 1924.	June, 1923.
Building Permits.....	159	157	159
Cities Amount.....	\$247,808,460	\$281,001,356	\$229,408,696

## FAILURES (BRADSTREET'S)

	June, 1924.	May, 1924.	June, 1923.
Commercial Failures.....	1,561	1,744	1,378
Number Liabilities.....	\$38,050,839	\$70,042,802	\$52,003,736

## Week Ended Saturday, July 19.

## Bank Clearings

## By Telegraph to The Annalist

	Last Week.	1923.	Year to Date.	1923.
Central Reserve Cities.				
New York.....	\$4,599,880,908	\$3,655,416,398	\$133,779,194,836	\$124,483,493,200
Chicago.....	637,052,998	504,991,318	17,478,570,846	17,913,490,633
Total 2 C. R. cities.....	\$5,236,933,906	\$4,250,407,716	\$151,257,765,682	\$142,396,983,833
Increase.....	23.2%		6.2%	
Other Federal Reserve Cities.				
Atlanta.....	\$51,904,069	\$47,715,080	\$1,520,500,233	\$1,154,375,092
Boston.....	400,000,000	365,000,000	11,585,000,000	11,138,000,000
Cleveland.....	111,715,539	116,476,133	3,008,115,832	3,138,015,091
Kansas City, Mo.....	141,034,202	133,987,543	3,509,074,243	3,884,432,040
Minneapolis.....	70,824,737	68,493,677	3,002,452,499	1,999,037,577
Philadelphia.....	512,000,000	488,000,000	13,018,800,000	13,961,000,000
Richmond.....	55,410,000	44,986,000	1,518,305,000	1,405,273,000
San Francisco.....	174,200,000	158,200,000	4,578,900,000	4,494,500,000
Total 8 cities.....	\$1,517,069,807	\$1,422,838,433	\$41,746,147,807	\$41,474,633,400
Increase.....	6.0%		0.6%	
Total 10 cities.....	\$6,754,029,113	\$5,673,246,149	\$193,003,913,489	\$183,871,617,233
Increase.....	19.0%		4.9%	

	Last Week.		Year to Date.	
Other cities:	1924.	1923.	1924.	1923.
Buffalo	\$48,149,151	\$47,094,453	\$1,268,698,780	\$1,299,863,251
Cincinnati	74,488,000	73,353,000	1,776,347,000	1,991,335,000
Columbus, Ohio	14,907,100	15,876,400	418,373,400	461,529,200
Denver	19,010,030	18,296,621	555,106,394	579,330,751
Detroit	156,977,891	144,336,813	4,072,926,598	3,702,097,776
Los Angeles	138,180,000	147,717,000	4,093,484,000	3,686,090,000
Louisville	33,073,351	29,364,803	888,891,951	904,662,544
Milwaukee	38,467,312	36,942,839	1,065,619,358	1,049,764,585
New Orleans	50,743,441	48,563,113	1,085,617,761	1,471,425,080
Omaha	39,141,483	41,041,172	1,322,259,004	1,244,500,446
St. Paul	29,767,471	40,121,670	901,980,652	969,933,407
Seattle	40,087,080	39,546,934	1,105,928,515	1,060,432,910
Washington	23,219,134	21,126,147	626,919,685	625,687,615
Total 13 cities	\$706,131,462	\$698,355,965	\$19,382,155,138	\$19,046,652,565
Increase	1.1%		1.7%	
Total 23 cities	\$7,460,160,575	\$6,371,622,114	\$212,386,068,627	\$202,918,249,798
Increase	17.0%		4.0%	
Entire country, estimated from complete returns, representing 92.3 per cent. of the total.				
Percentages show changes from preceding year:				
	1924.	P. C.	1923.	P. C.
Last week	\$8,082,514,000	+11.4	\$7,251,000,000	-7.6
Previous week	7,646,973,000	-2.1	7,809,000,000	-0.8
Year to date	224,895,637,000	-2.5	230,656,000,000	+0.4











# The Annalist's London Letter

Continued from Page 70

tinued tendency to diminish, the London figures possibly reflecting less active conditions in the new issue market. Less money seems to have been turned over in the manufacturing districts, though the Whitsun holidays have again to be taken into account in this connection. Money was cheaper on the whole in June than in May, but the air is full of rumors of possible changes in bank rate, and the bill brokers and discount houses are gradually leveling up their charges so as to be on the safe side. The margin between "bank" and "market" rates for discounting the highest class of bills has been narrowed a good deal as compared with earlier years as the following table shows:

	SIX MONTHS' AVERAGE.		
	—January to June.—	1923.	1924.
	1922.	1923.	1924.
Bank rate .....	4 7 1	3 0 0	4 0 0
Market rate for 3 months' "fine" bills.....	2 19 0	2 4 0	3 7 6
Market rate below bank.....	1 8 1	16 0	12 6

A similar reduction has frequently, in the past, preceded an all around rise in money rates.

## Home Versus Foreign Lending

As a good deal is heard just now on the subject of the alleged "overlending" of our capital resources to foreign States the following compilation of an eminent British financial authority may be useful:

The statistics do not bear out the "overlenders" contention. Our total issues for use overseas were about equal

to the pre-war figure in the first half of 1922; were 11 per cent. less in 1923, and were 41 per cent. less this year. The most successful overseas borrowers are the British Colonies, particularly Australia. Of the total new capital obtained in London, between January and June of this year, only one-fifth was raised for specific employment outside the borders of Great Britain or the British Empire. The capital table, in point of fact, greatly understates the position as regards home industry. The figures take no account of private applications for funds, money raised by syndicates, or amounts lent on mortgage by insurance companies and others. Most sections of British industry are not publicly

financed at all. In every industrial town local businesses are carried on to which London has never subscribed a penny. In reality the ratio between home and foreign capital investment is much more than 4 to 1, possibly as much as 8 or 10 to 1.

Reports from the industrial areas indicate that the demand for pig iron remains dull and in a few places stocks are being accumulated. As regards steel the outlook is rather better, a few substantial orders having lately been placed by the railway companies. Shipbuilding, curiously enough, is beginning to make quite an appreciable advance after several years' stagnation. Not only have more contracts been placed lately, but the men are working better—and this on the Clyde, of all areas—except, possibly, South Wales—the most notorious as a centre of labor unrest. One of our largest engineering firms has just secured a large Indian railway contract in open competition. In the textile industries an increased turnover is re-

## New Capital Raised in London Market

January to June. (000,000 Omitted.)

	1913.	1922.	1923.	1924.
Domestic purposes—				
British Government .....	None	304.3	63.7	9.8
Other uses .....	20.3	44.4	28.6	33.3
Total domestic .....	20.3	348.7	92.3	43.1
Overseas borrowing—				
British Empire .....	43.0	49.4	52.2	37.6
Foreign countries .....	57.0	50.6	36.8	21.3
Total overseas .....	100.0	100.0	89.0	58.9
Total new issues.....	120.4	448.8	181.3	102.0

# New Opportunities for the Investor

## The Annalist's Weekly Index to Current Security Offerings

### BONDS

Continued from Page 68

Amount.	Name and Description.	Offered By.	Price.	Yield %.	Offered.
\$1,100,000	Sheridan Trust & Savings Bank Bldg., Chicago, 1st leasehold s f g 6½%, J & J, due July 1, 1930.....	Sheridan Trust & Savings Bank; Pearsons-Taft Co. and Second Ward Securities Co. of Chicago	Par	6.50	July 14
\$250,000	Spartanburg, S. C., school dist 4½%, J & J, due July 1, 1944.....	R. M. Grant & Co., Inc., N. Y.	....	4.50	July 14
\$214,500	Spokane, Portland & Seattle Ry. equip tr g 6% notes, J & J 15, due Jan. 15, 1925 to 1935.....	Ferris & Hardgrove and Blyth, Witter & Co., Portland	....	4.50-5.00	July 7
\$375,000	Virginian Northern Power Co. g 6½%, J & D, due June 1, 1944.....	Paraley Bros. & Co., Philadelphia	96	6.87	July 9
\$265,000	Walton (The), Chicago, 1st ser g 7s, J & D 10, due June 10, 1926 to 1941.....	Leight, Holzer & Co., Chicago	Par	7.00	July 15
\$500,000	Washington Suburban Sanitary District of Maryland 4½%, Series I, J & J, due July 1, 1974.....	Equitable Trust Co. of N. Y. and Jenkins, Whedbee & Poe and Frank Rosenberg & Co. of Baltimore	....	4½-4.50	July 15
\$1,250,000	Western Maryland Ry. Co. 1st g 4s, A & O, due Oct. 1, 1932.....	Miller & Co.; Charles D. Robbins & Co. and Buell & Co., N. Y.	....	7.00	July 18
\$400,000	West New York, N. J., g 5s, J & J, due July 1, 1929 to 1942.....	R. M. Grant & Co., Inc., N. Y.	....	4.40	July 11
\$1,854,000	Western United Gas & Elec. Co. 6s, F & A, due Feb. 1, 1950.....	Blodgett & Co., N. Y.; W. W. Armstrong Co.; Illinois Merchants Trust Co., Chicago, and First Wisconsin Co., Milwaukee	Par	6.00	July 17
\$1,146,000	Western United Gas & Elec. Co. 5s, F & A, due Feb. 1, 1950.....	Blodgett & Co., N. Y.; W. W. Armstrong Co.; Illinois Merchants Trust Co., Chicago, and First Wisconsin Co., Milwaukee	88	6.00	July 17
\$800,000	Wisconsin Hydro-Electric Co., Inc., 1st g 6s, Series A, F & D, due June 1, 1949.....	Minnesota Loan & Trust Co., Minneapolis	96.50	6.28	July 15
\$1,000,000	Wichita Falls, Texas, 5½%, M & N, due Nov. 1, 1925 to 1950.....	Kaufman, Smith & Co.; Taylor, Ewart & Co., N. Y.; Stern Bros. & Co., Kansas City; C. W. McNear & Co.; First National Bank of St. Louis, St. Louis, Mo.	....	4.00-4.85	July 15

### STOCKS

Amount.	Name and Description.	Offered By.	Price.	Yield %.	Offered.
\$8,000	Carolina Power & Light Co. 7% cum pf, J, A, J & O, \$99.50, no par.....	W. C. Langley & Co., N. Y., and Old Colony Trust Co., Boston	No par	7.04	July 10
\$1,200,000	Central Power & Light Co. (Mass.) 7% cum pf, F, M, A & N, par \$100.....	Howe, Snow & Bertles; Pyncheon & Co., N. Y.	2.50	7.57	July 17
\$1,000,000	Hotel Richmond Realty Corp., Richmond, Va., 7% cum pf, J, A, J & O, par \$100.....	Wheat, Williams & Co., Inc., Richmond, Va.	Par	7.00	July 10
\$5,000,000	Illinois Power & Light Corp. 7% cum pf, J, A, J & O, par \$100.....	Blyth, Witter & Co., N. Y.	\$95.00	7.37	July 10
\$1,348,000	Pierce Petroleum Corp. capital, no par.....	Lehman Bros.; Goldman, Sachs & Co. and Hornblower & Weeks, N. Y.	7.00	....	July 10
\$1,000,000	Portland Electric Power Co. 7% cum prior pf, Series A, J, A, J & O, par \$100.....	National City Co., N. Y.	98.50	7.10	July 12
.....	United American Chain Stores, Inc., bankers' shares, rep stock in 10 chain stores companies, J & J 31.....	Bonner, Brooks & Co., N. Y.	16.25	....	July 5
\$2,000,000	United States Stores Corp. 7% cum cv pf, M, J, S & D, par \$100.....	Moore, Leonard & Lynch; J. S. Holmes & Co.; Glover & McGregor; Morgan J. C. Saupp and Gorden & Co., Pittsburgh, Pa.	97.50	7.18	July 14
\$2,000,000	Utica Gas & Elec. Co. 7% cum pf, F, M, A & A 15, par \$100.....	Guaranty Co. of N. Y.	102.00	6.85	July 16

\*Shares.

ported from Manchester, but Lancashire as a whole is anxiously waiting authentic news of the American cotton crop. Woolen manufacture is moderately active, but the linen market is almost lifeless. Among the minor industries pottery continues to make slow but sure headway.

## Foreign and Domestic Politics

Political interest is centred chiefly on the forthcoming reparations conference in London. The Dawes report having received the benison of both Britain and France, and the French Government being apparently willing to relinquish its economic strangle-hold on the Ruhr, it would seem that some real progress in European reconstruction is at last about to be made. There are quite evidently people on both sides of the English Channel who are working hard to hinder a settlement, but the press misunderstandings about what took place at the interview between the British and French Premiers appear to have been quietly smoothed away without affecting the renewed friendly relations of the two countries. In view of the lessons of earlier conferences, Mr. MacDonald's decision to rule out all discussion of storm-raising topics such as interallied debts and French "security" is much to be commended.

The irony of the present Parliamentary situation has been exemplified by the fate of the Government's War Charges Validity bill. During the war certain industrial operations were allowed to be carried on only by license from the Government. For these licenses a charge was made which, later, the courts failed to uphold. A retroactive bill, legalizing the charges, was brought forward by the late Conservative Government, and, after the elections, taken over by the new Labor Administration. This unfortunate measure has carried ill luck to every one concerned in it. One of its clauses led to a Government defeat in the Commons, and when eventually it reached the Lords that august body, oblivious of its Conservative parentage, proceeded ignominiously to reject it by 28 votes to 23. This is the first time for a number of years that the upper house has proceeded to the full exercise of its powers of veto.

## World Wheat Shortage

Continued from Page 77

of wheat according to compilations made by Broomhall's Corn Trade News of Liverpool, divided between European and non-European countries, together with the purchasing power of wheat in the United States. In this graph we see the influence of world production and price on the import of wheat. In periods of small world production and high price the total world import of wheat falls off and it expands under the influence of low prices and large crops. This is particularly true of the non-European countries. Note the heavy imports of these countries for the low-priced period just prior to the war, and again in the last three years. In 1923 the bumper world crop and consequent low price induced the world to import wheat in greater quantities than ever before known, the greatest increase coming in the imports of the non-European countries.

Canada, Argentina, United States, Australia and India furnished most of the export wheat since the war. Russia and the countries of the lower Danube River basin were important exporters previous to the war, but since 1914 their exports (with the exception of last year) have been insignificant.

Only a record crop in Russia could alter the present situation, and of this there is no prospect.

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\$77,000

## MADISON COUNTY FLORIDA 5% ROAD BONDS

The Board of County Commissioners of Madison County, Florida, will receive sealed bids, \$77,000 bonds; said bids will be addressed to the undersigned Clerk.

### Information to Bond Buyers:

Bonds issued by Madison County, Florida. Amount to be sold.  
Kind of bonds, coupon. **JULY 28th, 1924,**  
\$77,000. Denomination, \$1,000.  
Rate of interest, 5 per cent., payable semi-annually, January 1st and July 1st.  
All coupons up to and including July 1st, 1924, detached.  
Principal and interest at National City Bank, New York, or any bank in Madison, at option of purchaser.  
Date of bonds, July 1st, 1922. Sealed bids.  
Date of sale, July 28th, 1924, 10 o'clock A. M.  
Outstanding bonds of County, excluding this issue, \$368,900.  
Amount in Sinking Fund, \$16,058.31. Assessed valuation, \$3,554,512.  
True valuation, \$12,750,000. Population, 21,000.  
Certified check made payable to L. A. Fraleigh, Chairman, for 5% of amount of bid must accompany the bid, national or State bank.  
Bonds validated by Circuit Court and approved by Col. John R. Thomson, New York City.  
The Board of County Commissioners reserves the right to reject any and all bids. Respectfully submitted,  
**D. F. BURNETT JR.,** County Clerk.

## ::: TRADERS' DIRECTORY :::

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Birmingham R. P. & L. 4 1/2%, '34	Bernhard, Schiffer & Co., 14 Wall	National Power & L. Ins. 7s, '22
<b>STOCKS</b>		
Adirondack Power & L. com.	Bernhard, Schiffer & Co., 14 Wall	American Light & Traction com.
American Power & Light com.	Bernhard, Schiffer & Co., 14 Wall	Appalachian Power common
American Power & Light pf.	Bernhard, Schiffer & Co., 14 Wall	General Gas & El. 6% cv. pf.
East Penn. Electric common	Bernhard, Schiffer & Co., 14 Wall	National Power & Light pf.
Lehigh Power Sec. Capital	Bernhard, Schiffer & Co., 14 Wall	Tennessee Elec. Power 2d pf.
National Power & Light com.	Bernhard, Schiffer & Co., 14 Wall	Tennessee Electric Power com.
Sierra Pacific Electric com.	Bernhard, Schiffer & Co., 14 Wall	Western Power common
United Gas & Electric com.	Bernhard, Schiffer & Co., 14 Wall	Western Power pf.
Commonwealth Power pf.	Bernhard, Schiffer & Co., 14 Wall	General Gas & Electric common
General Gas & Electric com.	Bernhard, Schiffer & Co., 14 Wall	American Gas & Electric com.

## \$500,000 CITY OF MINNEAPOLIS MINNESOTA AUDITORIUM BONDS

Notice is hereby given that the Committee on Ways and Means of the City Council of Minneapolis, Minnesota, will sell at a public sale, at the office of the undersigned, on **THURSDAY, JULY 24TH, 1924, at 2:00 o'clock P. M.** \$500,000.00 AUDITORIUM BONDS, at a rate of interest not exceeding Five Per Cent. (5%) per annum; to be dated July 1st, 1924, and to be made payable twenty-five thousand dollars thereof July 1, 1925, and twenty-five thousand dollars on July 1st each year thereafter, to and including the year 1944.

Sealed bids may be submitted until 2:00 o'clock P. M. of the date of sale. Open bids will be asked for after that hour. All bids must include accrued interest from date of said bonds to date of delivery and a certified check for Two Per Cent. of the par value of the bonds bid for made to C. A. Bloomquist, City Treasurer, must accompany bids.

The right to reject any and all bids is hereby reserved.

The approving opinion of John C. Thomson, Attorney, will accompany these bonds.

Circular containing full particulars will be mailed upon application.

**DAN C. BROWN,**  
City Comptroller,  
Minneapolis, Minnesota.

## What Do You Look for NOW in the Bond Market?

Since the first part of June the bond market has risen further, the average covered being about 1 1/2 points. Some bonds have reached or are near their

### 1922 High

Will there be any great change in prices during the next few months, and, if so,

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